



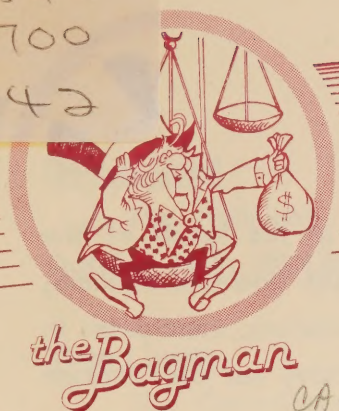
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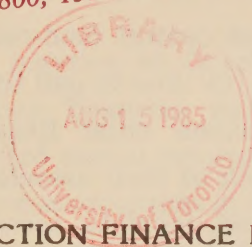


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VOLUME 1 - NO. 1

**Election
Finance Reporter**

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4



JANUARY, 1984.

WELCOME TO THE ELECTION FINANCE REPORTER! This is the first edition of a quarterly publication. We want you to know who we are, what we do and how we can help you. Yes, we know the old joke that goes "I'm from the government and I'm here to help you". But really, it's true. If those who report to us know what we want, and why, and how, then it cuts down our problems too. So here goes for our first effort. We are doing this publication in our office, so we really want to hear your comments, questions and suggestions for future numbers.

Who We Are -

In the early seventies, following investigations into the "Watergate" scandal in the United States, great waves of new laws were passed in the U.S.A. and Canada to control the financing of political parties and elections. Most of these laws provided for public disclosure of political contributions and expenses, and set up a system of checks and controls to prevent evasion of the law. The Legislature of Ontario passed the Election Finances Reform Act in 1975 and our Commission was set up to supervise it. We have a nine member Commission which meets once a month and makes the policy decisions. We have a full-time staff which carries out the Act, the policies and the procedures. We will come to names and offices later, and publish a brief profile on various people. We are attached to the office of the Speaker of the Legislative Assembly for administration.

Why We Are Publishing -

It's fairly simple - our self interest and yours.

We have too many late filings.

We have too many bad returns.

We have an Act intended to close all loopholes. So it's tough.

We have a lot of volunteer workers who need all the help they can get.

And a lot more!

Name and Logo -

Some of us wanted to call this publication "The Bagman" because people associate the name with political financing. But we have a more serious job to do, so "The Bagman" is our

logo, and "Election Finance Reporter" is our name.

FOR OPENERS

The bagman has gone local. More fund-raising is in the hands of the people. The Commission works with riding presidents, chief financial officers, auditors, party headquarters, Members of the Ontario Legislature, candidates in provincial elections and local and central fund-raisers to carry out the Election Finances Reform Act. We think it's time to pull together.

There are over 400 volunteer chief financial officers in Ontario, all struggling each year to keep track of their association funds and to file returns. There are rules about fund-raising, receipts, spending money and reporting. We send out guidelines, directives, demands for returns and requests for details. We know it's a terrible nuisance, but the result is vital to the democratic process.

The Ontario Legislature has set up one of the most comprehensive systems anywhere for ensuring that there is honesty, public awareness and disclosure of election and political financing. The Commission on Election Contributions and Expenses is at the centre of the process. We are part of the Legislature; we work daily with the political parties; we see the problems as they arise; and we keep in touch with other provinces and states to improve our system. We think you should know what we are doing.

Delay is a real problem. We get some complaints about delay in sending out auditors' fees, paying subsidies, approving returns, and making reports. No doubt some fault lies here. But we can't approve a return that hasn't been filed; we can't pay fees or subsidies on returns that don't add up. We have to demand the refund of money over-contributed and explanations for discrepancies.

In brief, we need a forum for the exchange of information, for making complaints and receiving them. We want the people we deal with to feel part of the process for better elections and better government. We want to cut down on bulletins and circulars by providing information on a regular basis. We hope that this publication will accomplish that purpose.

.....

The Commission must keep up to date with all changes in constituency associations. So we hear about most of the family squabbles. Generally, we don't talk. But our Chairman recently wrote an insistent letter to a riding president about filing a return. The recipient phoned to say he was no longer president.

"They held a meeting and threw me out," he complained.
"Complete change of officers?" the Chairman asked.
"I'll say," he replied, "they even voted me out as past president".

.....

THE UMPIRE'S WHISTLE
(Report on Contraventions and Penalties)

Deregistered

The Nipissing N.D.P. Riding Association was deregistered by the Commission on October 19th, 1983 for failure to file an annual return for the year 1982.

Time Limits

The Commission at its meeting of October 19th, 1983 also decided to commence proceedings under the Election Finances Reform Act to deregister all Constituency Associations which have not filed annual returns by the time of the first meeting after May 31st in each year. This will give associations in default 30 days to file or be deregistered. A few consistent defaulters hold up approvals, payment of auditors' fees, computer compliance programs and our report to the Legislature. This is unfair to those who file on time, and to the Commission staff.

Decision Questioned

In October 1982 the Beaches-Woodbine N.D.P. Association issued an appeal for funds to support three candidates for municipal office. The Commission immediately ruled that in its opinion contributions received by the Association as a result of that appeal were not eligible for Income Tax deductions. Such contributions are not solicited for the general purposes of the Association, and do not relate to provincial elections. When the 1982 annual return was filed, the Commission staff raised the matter again. Following discussions, the Commission was provided with a list of the contributions received from the special appeal, which are being submitted to the Ministry of Revenue. Some of the contributors have declared their intention to appeal any Revenue decision disallowing their receipts.

Deregistration Notices

On Dec. 14th, 1983 the Commission directed that 30 day deregistration notices be given to 12 constituency associations whose annual returns for 1982 were still incomplete.

Party Leadership

Where funds have been transferred from a Constituency Association to a Member's leadership campaign, we must investigate. As in the case of municipal candidates, the Commission has ruled that contributions resulting from a special appeal for a leadership candidate do not qualify for the issue of an official receipt. (Section 1(3) of the Election Finances Reform Act.) On the other hand, the Commission has consistently ruled that the expenditure of funds properly raised for the general purposes of an Association, is a matter for each Association. Our investigation, therefore, is limited to determining whether a special appeal was made by the Association for funds for the leadership campaign. If so, any official receipts for tax deduction are invalid.

FIRST PROFILE

The Chairman of the Commission has two functions; he presides over the regular meetings of the commissioners; and he is full-time resident representative of the commissioners at the staff offices. The first Chairman was Mr. Arthur A. Wishart, Q.C. from May, 1975 until May, 1982. Mr. James A.C. Auld was Chairman during the month of June, 1982, but died suddenly on June 30th. Mr. Gordon H. Aiken, Q.C. was appointed Chairman on April 5th, 1983.

Mr. Aiken is a lawyer, who graduated with honours from Osgoode Hall Law School in 1940. He was an army officer (1941 to 1945) serving overseas with the Royal Hamilton Light Infantry; a family court judge in Muskoka from 1951 to 1956, and a federal Member of Parliament from 1957 to 1972. While M.P. he served as Committee Chairman, Deputy House Leader (Opposition); delegate to the United Nations General Assembly and Leader of the Canadian Delegation (I.P.U.) to Rome (1972). After leaving Parliament, Mr. Aiken authored two books on Canadian politics, "The Backbencher" (1974) and "Returning Officer" (1982). His background in law, politics and writing will be an asset in his new duties.

We will profile other members of the Commission and staff in future editions.

FOR YOUR INFORMATION

Seminars for C.F.O.'s

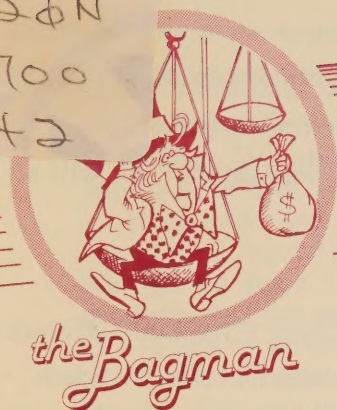
Since a 1984 General Election is possible, the staff of the Commission proposes to hold seminars for C.F.O.'s and others who may be interested, in various centres throughout the Province during the months of February, March and April 1984. It is anticipated that most of these seminars will take place on Saturdays, and a list of tentative dates, times and locations, and a registration form, are being mailed with this bulletin to those involved. We hope the response will be positive. Please make sure that your local association is represented.

Redistribution

Mr. Warren R. Bailie, Chief Election Officer of the province, is a member of the Electoral Boundaries Commission, along with Professor Neville Thompson, under the chairmanship of Mr. Justice Samuel Hughes. Our Registrar, Mr. Robert B. Dobson, who has long experience with the electoral boundaries, also worked on this Commission. Revisions to the boundaries of Ontario electoral districts are under review. Mr. Bailie advises us that the proposed revisions should be available for public hearings by April, 1984.

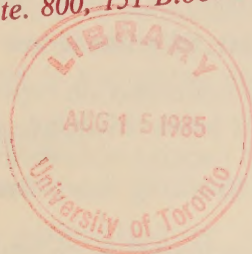
Survey of Election Finance Legislation, 1984

The 1984 edition of the Survey of Election Finance Legislation in Canada and the United States, prepared by the research staff of the Commission, is nearly complete and should be available for distribution within the next couple of months.

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Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4



VOLUME 1 - NO.2

APRIL, 1984.

WE'RE BACK!

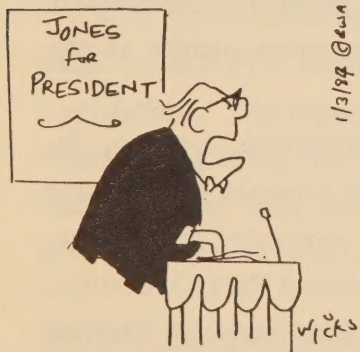
Our first appearance was a complete success. A lot of people wrote in, and we had to add about 100 names to our subscription list. Alan Christie gave us a column in the Toronto Star, Orland French included us in his skill-testing examination in the Globe and Mail, and "Contact" the magazine of Elections Canada extended its welcome.

We ran out of our first issue, and just have a few "historical" copies left. Some eyebrows were raised over our use of "The Bagman" as a logo, but most subscribers were delighted with it. In any case, we have a challenge for future editions. Thanks to all who wrote and phoned.

Government Ethics Laws

Our Commission belongs to a network of federal, provincial and state bodies in Canada and the United States which are involved in enforcing laws to ensure honesty in politics. No two jurisdictions have the same laws. Many direct their efforts towards elections and political financing of candidates and parties. Some concern themselves with conflict of interest of elected Members. Some work through Chief Election Officers and Secretaries of State, others through Ethics Councils and Commissions on Election Finance. Once a year we all meet to exchange views and find out what is happening in North American politics.

Our Chairman and Commissioner Scandlan went to Montgomery, Alabama for the meeting in December, 1983. They were surprised at the vast amounts of money spent in U.S. Elections - \$500,000 to win a seat in the California Assembly - \$10 million for a U.S. Senate seat. Election finance laws in some parts of Canada and the U.S. are much looser than in Ontario. There is some dismay in the U.S. at the way people drive through the loop-holes. These include the making of anonymous contributions; giving other people's money; ignoring cash limits on contributions; lack of disclosure rules and weak enforcement. What pleased our delegates was that the Ontario law covers all these matters. If we simply enforce the laws we have, we can avoid many of the problems in other systems. Our Act isn't



"And everyone who supports my fight against bribery and corruption will be paid."

perfect - we want changes, others want changes. But if our Commission seems to be picky on little problems, it's to avoid having them grow into big ones. The rule of law is abiding by the laws we have, and the art of politics is keeping those laws in touch with the times. The Election Finances Reform Act of Ontario is basically a good piece of legislation. We will all benefit by seeing it complied with and enforced.

Annual Returns

We already have 74 returns for 1983 filed. We hope that all Chief Financial Officers will have their annual returns filed by May 31st. We list below the problems to be avoided:

1. Official receipt not issued for every contribution reported.
2. Cash contributions over \$10 have not been refunded, a replacement receipt issued for the \$10 retained and the original receipt recovered for cancellation.
3. Contributors of small contributions totalling more than \$100 omitted from the over \$100 contribution listing.
4. Agency Contributions with a "date received" in calendar year are not recorded in the return.
5. Receipts incorrectly issued for Goods and Services contributions valued at \$100 or less.
6. Transfer payments incorrectly include payments for services and materials.
7. Contributions accepted from associated corporations exceed the \$500 limit.
8. No indication in schedule 7 that a Membership list is maintained when membership fees received are not considered contributions.
9. Receipts have been issued in the name of a partnership or an association rather than the persons who shared in the contribution.
10. Explanations for variances or prior year adjustments are not provided.

CORRECTIVE ACTION BEFORE FILING WILL SAVE TIME FOR ALL.

Seminars

The response to the Commission sponsored seminars has been excellent in that 390 registrations were received from C.F.O.s, constituency association executives, auditors and some members of the Legislature.

As at March 31, seminars have been held in 14 locations throughout the province namely, Owen Sound, Thunder Bay, Fort Frances, Kenora, North Bay, Sudbury, Sault Ste. Marie, Orillia, Kirkland Lake, Kapuskasing, Timmins, Toronto West, Kingston, Toronto East.

Our presentation of a review of the C.F.O.s responsibilities as well as that of the Executive of a constituency association was well received and generated interesting questions and discussion. It was particularly useful for our staff to meet people at the seminars with whom they have communicated over the years.

We anticipate that the remaining seminars to be held in Cambridge, London, St. Catharines, Windsor, Peterborough and Ottawa will be helpful and of interest to everyone attending. Thanks to all who came. We look forward to meeting the remaining registrants. Overlying our official seminars, we also send staff members to week-end Party meetings. On some Saturdays we have three teams on the road. Thanks to Audit Assistant Daphne Check, Assistant Registrar Ed Allen, Registrar Bob Dobson, Executive Director Don Joynt, and Chairman Gordon Aiken for seminar instruction, and to all staff, for giving up their week-ends in February March and April to make our seminars a success.

THE UMPIRE'S WHISTLE

Cash Contribution Limitation - Section 17(2)

That cussed @#*%#& \$10.00 cash contribution limitation has given everybody fits and we share the inconvenience, pressures, and concerns placed upon you in this regard.

Proposed and more realistic amendments to increase the amount of acceptable "cash" contributions have not, as yet, been enacted by the Legislature and we do hope that may happen. In the meantime, the referenced law only provides for the acceptance of \$10 cash as a contribution and amounts in excess of \$10 are to be contributed by a personally authorized cheque or money order.

The ethic quality of the funding of Ontario's political life is a far-reaching known. Perhaps this is one of the prices to be paid or endured for such esteem!

Federal Campaigns - Section 30(1)(b)

Contributions or the transfer of funds from a provincial association to any federal political party, constituency association or candidate are prohibited. You and your colleagues will want to be fully aware of this provision as the timely interest in the forthcoming federal election accelerates.

The only allowable is during a federal election when a provincially registered party may transfer to a federally registered party an aggregate maximum of \$100 for each Ontario based federal candidate.

Half-Fast Returns

Some of our C.F.O.s try to beat the May 31st deadline by filing a half-completed form. They hope to fill in the blanks later. Truth is, they haven't accomplished anything. Our Commission made a formal ruling on December 14th, 1983 that an incomplete or deficient return is not a return at all. Section 42 of our Act does not say that a form shall be filed by May 31st in each year. It requires a financial statement of assets and liabilities and of receipts and expenses for the preceding year. So try to do it all at once, please. You will still get our nasty letter in June if you don't.

FOR YOUR INFORMATION

Members' Indemnities and Allowances

Our Commission is responsible for recommending the indemnities and allowances to be paid to M.P.P.'s including cabinet ministers and those holding special offices in the Legislature. The report was filed on March 22nd, 1984 at the opening of the Spring session. While recognizing that substantial increases are well deserved in several areas, the report recommended that indemnities and allowances for the 1984-85 year be limited to a five percent increase in accordance with the guidelines.

Political Groups with Objectives Outside Ontario

The "Guyana Affair" in December, 1983 caused the Commission to consider its responsibility concerning groups formed in Ontario, but with political objectives outside the Province. A number of Ontario residents, calling themselves "the Conservative Party of Guyana" were arrested in the United States and brought back to Canada on charges relating to export of firearms to

Guyana. The question was raised whether our Commission should be monitoring such groups as to their activities, use of the word "party", and their soliciting of contributions. The Commission heard evidence, obtained a legal opinion, and ruled on March 7th, 1984 that the Election Finances Reform Act relates only to the election of Members to the Ontario Legislature. This follows the principles already established that the Act does not apply to municipal elections, to federal elections, to nominating meetings or to leadership conventions. Criminal activity of any group, political or otherwise, is subject to prosecution under the Criminal Law of Canada. If any such "party" should involve itself in Ontario politics, they would immediately come under our scrutiny, otherwise we assume no control.

Federal Bill C169

We have had enquiries concerning the federal law which prohibits anyone other than a registered political party or candidate from incurring election expenses, (e.g. advertising) during an election period. The National Citizens Coalition has commenced court proceedings to have the bill declared unconstitutional as limiting the Charter right to freedom of speech.

There is no similar prohibition concerning Ontario provincial elections. Unregistered groups or persons may advertise their viewpoint during an election period, although they must follow the standard rules.

PROFILES - COMMISSION MEMBERS

Our Vice Chairman, Mrs. Barbara Sullivan an appointee of the Liberal party, was appointed to the Commission on July 26, 1979. Mrs. Sullivan, a mother of four, runs her own Public Relations firm. Our other Liberal member is Waldemar Zimmerman, a lawyer practising in Hamilton. He has been with the Commission since May 1980.

Both Conservative appointees are lawyers - Ronald E. Sobier, Q.C. and H. Donald Guthrie, Q.C. Mr. Sobier, an avid baseball fan, has been a Commissioner since February 1979. Mr. Guthrie joined the Commission in May 1980. His interests lie in the field of arts and letters rather than sports.

The New Democratic Party is represented by our longest serving Member, William F. Scandlan, who has been with us since 1978, and by our newest Member, Penny Dickens, who was appointed in March of this year. Mr. Scandlan holds office with the United Steelworkers of America. Penny Dickens a former Secretary and Chief Financial Officer of the NDP, is presently Executive Director of the Writers Union.

Mrs. Laura Legge, Q.C. the head of the Law Society of Upper Canada has been a Member of the Commission since November 1980. Mrs. Legge was appointed by virtue of her election as a Bencher of the Law Society of Upper Canada, since our Act calls for the appointment of a Bencher Representative.

The remaining Commissioner is Warren Bailie who is a Member of the Commission by virtue of holding the Office of Chief Election Officer.

Input

Have you any stories or comments on money in politics? If so, let's have them.

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the Bagman

Election Finance Reporter

*Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4*

VOLUME 1 - No.3

JULY, 1984

PUBLICATIONS -

Our Commission has three new publications available:

1. Pocket Guide to Election Finance Law. Published January, 1984. This little green book is very popular, and everyone involved in political financing in Ontario should have one.
2. Annual Report for 1983. Published June, 1984. This isn't as dull as it sounds. There's a lot of interesting information in there about Ontario's political parties and Members.
3. Comparative Study of Election Finance Legislation. Published June, 1984. This is the only book of its type in North America. It details the financing requirements for elections in all provinces and states in Canada and the U.S.A. as well as in both federal jurisdictions. It also contains a well researched text on the development of election finance laws. It's a specialty item for those in the work.

These books will be supplied at no cost upon request.

New Vice Chairman

Mr. Ronald Sobier, Q.C. was unanimously elected Vice Chairman of the Commission to replace Barbara Sullivan whose term expired May 7th, 1984. The Commission expressed special appreciation to Mrs. Sullivan for her work during the period between the death of James Auld on June 30, 1982 and the appointment of Gordon Aiken as Chairman on April 5/83.



"He asked me to run out and buy a money order."

Towards the objective of administering the Election Finances Reform Act, the Commission recently entered its decade of life.

By tribute to the willing volunteer, the Commission Members and Staff gratefully acknowledges Chief Financial Officers whose co-operative attitude and conscientious performance has been continuous since 1975.

Appreciatively, we take occasion to cite the 54 C.F.O.'s who have been involved since the beginning and their names are set forth by political party affiliation and electoral district identity.

P.C. (21)

<u>ELECTORAL DISTRICT</u>	<u>CHIEF FINANCIAL OFFICER</u>
ALGOMA-MANITOULIN	Thomas H. Riching
BROCK	Harry J. Daniel, Q.C.
CAMBRIDGE	Fred Gaskin
CHATHAM-KENT	Danny G. Bailey, C.A.
DUFFERIN-SIMCOE	William Bates
ERIE	James A. Casson, C.A.
GREY-BRUCE	Ronald R. Jobe
KENT-ELGIN	Wallace Jackson
LAMBTON	Robert L. Boyd
LEEDS	John T. Corbett, Q.C.
MUSKOKA	Bernard A. Reynolds
NORTHUMBERLAND	J. Adrian Langhorne, C.A.
OAKVILLE	Ryland J. New
OTTAWA SOUTH	James E. Scott, C.A.
PARRY SOUND	Michael G. Brophy, C.A.
RAINY RIVER	Eric A. Pearson
RENFREW NORTH	Winston C. Stewart, C.A.
RENFREW SOUTH	James A. MacKillican, C.A.
SAULT STE. MARIE	Walter Yurechuk, C.A.
VICTORIA-HALIBURTON	Arthur A. Ward
YORKVIEW	Jack V. Newton

LIBERAL (12)

<u>ELECTORAL DISTRICT</u>	<u>CHIEF FINANCIAL OFFICER/TREASURER</u>
ALGOMA	Edmund Nelson
COCHRANE SOUTH	Gerard C. Evans, Q.C.
HAMILTON MOUNTAIN	H. Jack McBurney
HURON-MIDDLESEX	Daniel J. Murphy, Q.C.
KITCHENER-WILMOT	W.C. Rehkopf
LONDON CENTRE	Anthony G. Malloy
OTTAWA SOUTH	Mrs. Flora M. Blais
QUINTE	Larry J. Soden
VICTORIA-HALIBURTON	Dr. Ronald S.R. Sears
WENTWORTH NORTH	Howard M. Hines, Q.C.
HUMBER	Ben J. Fiore, C.A.
SCARBOROUGH EAST	Frank Galea

N.D.P. (12)

<u>ELECTORAL DISTRICT</u>	<u>CHIEF FINANCIAL OFFICER</u>
CAMBRIDGE	H. Norman McKenna
COCHRANE SOUTH	Mrs. Cecile Battocchio
KENORA	John R. Longe
LANARK	Cliff Bennett
LINCOLN	Eric Waldron
MISSISSAUGA SOUTH	Ms. Joan Buss
SARNIA	Len Baker
SUDBURY EAST	Max Carisse
WELLINGTON SOUTH	Ms Ruth G. Kaufman
BELLWOODS	Jon Harstone
LAKESHORE	Donald Law
SCARBOROUGH EAST	Donald W. Bryant

COMMUNIST (9)

<u>ELECTORAL DISTRICT</u>	<u>CHIEF FINANCIAL OFFICER</u>
FORT WILLIAM; PORT ARTHUR	Harry L. Raketti
HAMILTON CENTRE; HAMILTON EAST	Robert McClure
OSHAWA	Ms. Lynn Rak
ST. CATHARINES; WELLAND-THOROLD	Paul Seguin
LAKESHORE	Ms. Dora Stewart
OAKWOOD	Ms. Jennie Freed
SCARBOROUGH CENTRE	Norman Brudy
YORK SOUTH	John Bizzell
YORKVIEW	Morris Kamiel

THE UMPIRE'S WHISTLE

Deregistration

The Commission sent out 34 notices of intention to deregister constituency associations on June 19th, 1984, for failure to file 1983 returns. Those notified have 30 days to request a review of the proposal, and the Commission normally reviews favourably if the request is accompanied by the missing return. Otherwise deregistration follows. A deregistered association can not accept contributions, must return all unused receipt forms and money on hand, and must file all delinquent returns and a current audited statement before a new application for registration is considered. This takes months, and could leave the Association out of business for the next election - not much support for a party candidate.

FOR YOUR INFORMATION

The cartoon on our front page was drawn by Mike Petrus of Globe Printing and Lithographing (Toronto) Ltd., from an idea expressed by several of our correspondents. Mike is the husband of staff member Millie Petrus.

The seminars held by the Commission at 20 locations in Ontario during February, March and April were a complete success. And our staff members really enjoyed the experience.

Among the 341 participants were Commission Members Ronald Sobier and Penny Dickens, and M.P.P.'s Bradley, Kells, Mitchell, Newman, Roy, Ruston, Turner, Treleven and Wrye, whose presence and assistance were very much appreciated.

Fund Raising Event Income Reporting

A change is to be made in future financial returns which each Chief Financial Officer must file with the Commission to segregate the income from tickets sold to each event and income from other sources.

The section of the form captioned "Gross Revenue from Fund Raising Functions" will appear on the new reporting forms as follows:

		<u>Admission Charge</u>		<u>Gross Income from Function</u>		
<u>Date</u>	<u>Type of Function</u>	<u>Per Person</u>	<u>portion deemed a contribution</u>	<u>from Ticket Sales</u>	<u>from Other</u>	<u>Total Income</u>

This separation of Other Income (eg. Bar Sales) from ticket sale income is necessary because the Commission has a responsibility under section 24(3) of the Election Finances Reform Act to ensure that the "portion of every ticket sold that is deemed a contribution" has been acknowledged by an official receipt.

The Chief Financial Officer must also ensure that the decision as to what part of every ticket sold is considered a contribution, is consistently applied to all contributors.

The CFO can check that the required receipts have been issued for each ticket sold by the following calculation:

Gross income ticket sales	portion of admission charge deemed a contribution	Total of
<hr/>	X	= Receipts
per person price of admission		Issued

PROFILES

Anna B. Stevenson, Q.C. is Research Director of the Commission, records the minutes of Commission meetings and provides general assistance and advice. While not a full time staff member, Mrs. Stevenson has been an advisor to the Commission since its very beginnings in 1975.. Under her supervision a number of books on election finance have been produced, and currently the "Survey of Election Finance Legislation 1983" is being published. Mrs. Stevenson also holds semi-judicial posts outside this Commission.

Donald A. Joynt, C.A. is the Executive Director of the Commission, the senior staff position. During his interesting career he has been Director of Finance of the Ontario Water Resources Commission, Assistant Deputy Minister for Finance in the province of Newfoundland and Deputy Treasurer of the Regional Municipality of Ottawa-Carleton. He joined this Commission when it was formed in 1975, and has successfully directed its operations since that time.

Robert B. Dobson is the Registrar of the Commission, responsible for registering associations, parties and candidates; keeping all official documents up to date, primary examination of returns and assisting and advising applicants on all provisions of the Act. He was a member of the Accounts Branch of the Attorney General from 1962 to 1970; had special duties in the elections of 1963 and 1967 and was an accountant with the Ontario Election Office from 1970 until he joined the Commission in July, 1975. Bob Dobson sets the tone of polite, efficient and friendly service for which the office has gained an excellent reputation.

Next issue, we'll tell you about some more of our staff.

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the Bagman

Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4

VOLUME 1 - No. 4

OCTOBER, 1984

OUR COMPLIMENTS to all Chief Financial Officers and Auditors.

On July 27th, 1984 the constituency return for Cornwall Liberal Association was filed in our office, which completed the filing of all party and constituency financial returns for the year 1983. This is the best record ever, and we feel very gratified. Already 324 of these returns have been reviewed and approved, and the audit fees paid.

We have been able to send to the computers all the 1983 constituency returns for sorting and tabulating, so that excess and illegal contributions can be identified. In addition the provincial party returns have been provided in tabulated form for review.

Last year, we were still struggling in December to get in the final returns. So we are well ahead. This is good for everybody. The local associations have the decks cleared for the next provincial election, whenever it may come: we are getting there. Not only that, if there are problems with bookkeeping or fund raising they should be identified and cleared up immediately. Nobody wants to be rooting around for the cause of mistakes two years after the fact, or during an election campaign. So thanks for the effort.

We can't say it all happened easily. We had instructional seminars this winter and spring and 341 people were updated; we sent out early reminders; the Commission issued 34 notices of intention to deregister on June 18th, 1984 and in September considered one final request to withdraw deregistration, which it did. But there you have it; a fine record.

ELECTION CONTRIBUTIONS

A registered candidate for the Ontario Legislature may accept, through his Chief Financial Officer, all of the following from any person, corporation or trade union in Ontario:

- (a) Up to \$500 (if over \$10, cheque or money order required).
- (b) volunteer labour without limitation.
- (c) goods and services of a commercial nature up to \$100.
- (d) election advertising done with candidate's consent, up to \$100.

(If (c) or (d) are over \$100, the value is a contribution and is included in the \$500 limit.)

CANDIDATE REGISTRATION

As a preparatory measure in readiness towards the next provincial general election - whenever that may be - many constituency associations have and are planning local nomination meetings for candidate selection.

To be helpful and for your awareness, may we draw your attention to section 15(1) of the Election Finances Reform Act whereby contributions to a candidate's campaign are prohibited until:

- (1) the candidate is registered with the Commission
- and (2) the Writ of Election has been issued.

Continuing, however, and within the contributions limitations of section 19, a constituency association or political party may accept contributions for a candidacy.

APPLICATION FOR CANDIDATE REGISTRATION

When a candidate has been nominated by a registered constituency association, we recommend and encourage that a single copy candidate registration application be completed and filed with the Commission just as soon as possible. Signed by the candidate and bearing the attesting signature of the association's chief financial officer, the application will receive our immediate acknowledgement with copies circulated to the campaign interested. Application forms are available from Party Central Offices or from the Commission.

A candidate who files an application for registration form with the Commission:

- (a) prior to the issue of a Writ for an election is deemed to be registered effective from the issue of the Writ.

Section 15(3) (a)

- (b) after the issue of a Writ for an election is deemed to be registered the day following receipt of the application at the offices of the Commission.

Section 15(3) (b)

An application for registration forwarded by registered mail to the Commission is deemed to have been filed with the Commission the second day after it was mailed, therefore, the candidate is deemed to be registered with the Commission on and after the Third day following the registration mailing.

Section 15(4)

As the riding association's financial and informative contact with the Commission, we take the occasion of this opportunity to urge that all association C.F.O.'s read our Guideline G-7 for the fullest possible understanding of the candidate registration procedure.

Of course we would be pleased to hear from you if we can be of assistance. Our telephone number is (416)-965-0455.

THE UMPIRE'S WHISTLE

R.S.V.P.

Just a little reminder about section 7 of the Election Finances Reform Act. It says, in effect, that information requested by our Commission from registered political associations and parties shall be provided within 30 days after written request. Penalties are provided for failure to comply.

Quite a number of Chief Financial Officers have unanswered requests still lying on their desks. Are you one? Your Association return cannot be approved until you clear up that question about your operations. Your finances are still in question, your auditor is still unpaid. We're not hard to get along with but we're determined to keep political finances in Ontario open, above-board and promptly reported.

CHANGE OF OFFICIALS

Please keep us informed of any change in officers, C.F.O.'s or auditors. We're entitled to send notices to the last reported office-holder. And in our experience many who have quit or have been ousted neglect to pass on our correspondence. Don't find yourself penalized for someone else's failures. It's bad enough to answer for your own.

* * * * *

(Moth) Balls

* An excerpt from the Hansard reports of the Ontario *
* Legislature. *
* Mr. Bob Rae: (getting in a dig at the government) *
* "Given the mothballing (of several electric *
* generating stations), who has the mothball *
* subcontract from Ontario Hydro?" *

* Premier William Davis: *
* ".... the contract for mothballing, if they *
* were using mothballs, would be very limited *
* in nature. I know that is a burning issue *
* with the honourable member and I will have my *
* limited research staff look into it and *
* report back to him, probably on the second *
* Tuesday of next week."

* * * * *

FOR YOUR INFORMATION

PUBLICATIONS

In our July issue we reported on three new publications. We have been surprised at the response both from Ontario and abroad. Our "Comparative Study of Election Finance Legislation" and the Annual Report for 1983 are now out of stock. We don't intend to re-issue them, so they are now rare books. We still have a good supply of the Pocket Guide to Election Finance Law.

TENTH ANNIVERSARY

The Commission will be ten years old in 1985, and we are making plans for an event to recognize the occasion. More details will be available for our January 1985 edition.

MORE PROFILES

We want to introduce you now to some more of our office staff. We have a very helpful, approachable support group, and knowing who they are can make a telephone call or visit more personal.

EDWARD W. ALLEN is our Assistant Registrar. In addition to assisting the Registrar, he has special assignments of his own, which he carries out in a friendly and capable manner. Ed is in charge of the computer compliance program, the verification program for registration of political parties, supervision of temporary staff, office accommodation and supplies, public scrutiny of documents and other related responsibilities. He is married, has an active family, and lives in Scarborough.

DAPHNE CHECK is our Audit Assistant. She reviews all constituency and candidate financial returns for accuracy and compliance with the Act. If there is a problem with your return, Daphne is the one you will hear from. She is very friendly and helpful, but firm, for she knows that your return will shortly be on public scrutiny, and then it's your problem. Daphne is married and lives in Toronto.

JUDIE FITZPATRICK is principal secretary and currently acting as Administrative Assistant to the Chairman. In this double duty, Judie keeps the office running smoothly. She sees that all correspondence and enquiries are received and responded to promptly, prepares for Commission meetings, keeps records, and is secretary to the Executive Director. Judie's good nature keeps the office smiling. She is married and lives in Toronto.

MILLIE PETRUS is secretary to the Registrar. She spends half her time doing word processing, and the rest of the time she decorates the main office. Millie is a willing and pleasant worker. She is married and lives near Toronto.

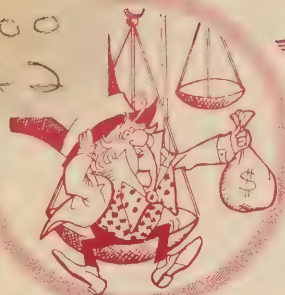
MARIA KOVACS is our receptionist and general secretary. She is currently assisting the Chairman with his correspondence. Maria joined the Commission recently, and gives a pleasant impression of the office to those who call, by telephone or in person. Maria lives in Toronto.

MARGARET MOORE - Administrative Assistant to the Chairman, is presently on an extended leave of absence for family reasons.

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*the Bagman*

Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4

VOLUME 2 - No. 1

JANUARY, 1985

CAMPAIGN ADVERTISING

Some good news, and some bad.

When the Camp Commission, and the Ontario Legislature, were laying out the rules for election expenses in 1975, the majority decision was to not limit the amount a candidate could spend during an election. There was one exception; campaign advertising was restricted both in time and amount. The period of time for broadcasting and publishing of campaign advertising is limited to the 21 days immediately preceding the day before polling. The amount to be spent by a candidate can not exceed 25 cents for each name on the revised voters lists for the constituency. The main object was to give equality of opportunity to the candidates.

On October 29th, 1984, five by-elections were called to fill vacancies in the Ontario Legislature. Polling day was December 13th, 1984; campaign advertising commenced on November 21st and ended December 11th. But on November 14th, the Commission received complaints that campaign advertising had been published that day in weekly newspapers in the Wentworth North election. The Commission immediately contacted the candidate.

The good news is that this candidate immediately called her opponents, made an apology and undertook not to publish the following week when it would have been permitted. The second bit of good news is that her opponents accepted the proposal, and all the candidates got down to the business of campaigning on their merits. This arrangement did not wipe out the contravention, but it brought some equality to the advertising, which is the main purpose of the Act. Within two days, a second contravention occurred in Ottawa Centre along the same lines. The arrangement made in Wentworth North was passed along and the candidate there made some similar concessions.

The bad news is that the contraventions occurred at all. As soon as the by-elections were called, the Commission sent out to all constituency

Chief Financial Officers and Presidents an election time-table, which included the advertising start and stop dates. Some of these did not reach the campaign committees in time.

Our Commission has to recommend to the Attorney General whether to prosecute a candidate or campaign officer for contravention of the advertising rules. A special meeting was called on November 28th, to deal with the situation. It was decided to issue a reprimand in each case, but not to recommend prosecution, because both incidents were shown to be innocent mistakes. The Commission will recommend prosecution for breach of the Act if our investigation warrants it. Each of the current situations was decided on its own facts, but a different set of facts could easily bring different results. Our duty is to assist and to warn; if the warning is not heeded, court action will follow.

ACTION

With a general election almost certain in 1985, we want to get the rules to the proper people. Things happen fast when the election writs are issued. Here are some suggestions:

1. The constituency C.F.O. or Treasurer, if he or she is not the campaign C.F.O., should see that all material relating to the election is passed on immediately to the campaign manager or C.F.O. We particularly mention our Green Booklet entitled "Pocket Guide to Election Finances Law of Ontario". Every candidate's C.F.O. should have one. We send the material out as soon as a candidate is registered; but until then we don't know who is campaign C.F.O., auditor or staff.
2. We are publishing in this issue a few early essentials for an election campaign. Please keep this issue as a reminder.
3. If you expect to be involved in the next election, write to us for the Green Booklet, a copy of the Election Finances Reform Act, and a candidate registration form.
4. If you know someone who should be receiving this bulletin, let us know and we will add that person to our mailing list.

CHECK-LIST FOR A CANDIDATE

When the candidate has been nominated or has declared himself or herself as a candidate, these things must be remembered:

1. Appoint a chief financial officer, an auditor, persons authorized to receive contributions and the bank to handle funds. These names go on the registration form.
2. Register with this Commission. The form can be filed before the election writ is issued but registration becomes effective on the date of the writ. After writ date, registration becomes effective the day after the form is filed.

3. File nomination papers with the Returning Officer according to the Election Act, in addition to registration with the Commission.
4. No contributions can be accepted for the candidate until registered with the Commission.
5. Campaign advertising period: Commences the 22nd day before polling date, and ends the 2nd day before polling date. Spending limit - 25 cents for each name on the revised voters list which includes money spent by a constituency association for campaign advertising.

Exceptions to time limitation:

- (a) Ads whose dominant feature is to announce public meetings, location of constituency headquarters, enumeration and revision services or administrative matters may be published immediately after the writ is issued.
 - (b) A weekly newspaper, regularly published the day before polling, may carry campaign advertisements on that day.
6. Advise fund-raisers of contribution limits:
 - (a) Source - From an Ontario person, corporation or trade union only.
 - (b) Amount - \$500. to a candidate's campaign.
 - (c) Form - Cheque or money order only, if over \$10.00.
 - (d) Special rules for fund-raising events and contribution of goods and services - See Green Book.
 7. Borrowing - From chartered bank or lending institution, provincial party or provincial constituency association only.
 8. Candidate may contribute \$500. to his or her own campaign, to be paid into campaign account.

NOTE - The above are warnings only. See the Act for complete provisions.

CANDIDATE C.F.O.'S

In our July issue we published the names of Constituency Chief Financial Officers who have been performing their volunteer duties since the Commission began. Now we want to publish the names of C.F.O.'s who have acted in all provincial elections during that period, and to thank them for their services:

William E. Hourigan, Q.C.	Burlington South	Gerard C. Evans, Q.C.	Cochrane South
William H. Spicer	Fort William	G. Smith MacDonald, Q.C.	Erie
Graeme Goebelle, C.A.	Halton-Burlington	Charles E. Hickey	Essex North
Otto H. Olson	Kenora	Peter H. Sims, Q.C.	Kitchener
Wayne Hobbs, C.A.	St. Catharines	William E. Davies, C.A.	London Centre
Joseph Cambala, C.A.	Windsor-Walkerville	T. James Vanderschoot	Niagara Falls
William V. Curran, C.A.	York North	William I. Gorsline	Northumberland
Homer B. Royds	Don Mills	John Fairley, C.A.	Oakville
Norman Ritchie	Downsview	Robert Hamilton	Perth
Rodney Hull, Q.C.	Eglinton	Jerry Silverthorn	Quinte
W. B. Ivany, Q.C.	Scarborough Centre	C. L. McKinnon, Q.C.	Wellington South
Edward R. Fleury, Q.C.	Scarborough East	Abel Renaud	Windsor-Walkerville
Donald J. MacLean	Scarborough North		
Thomas M. Hall	York Mills		

Pamela Dawson	Durham West	Frank Moroz	Hamilton Centre
Iva Humble	London North	Gillian Sutherland	Middlesex
Rand Dyck	Sudbury	George Marshall	Welland-Thorold
Mildred Clifford	Windsor-Riverside	Jack Hadfield	York North
Harold P. Koehler	Armourdale	Margaret Longmore	Windsor-Sandwich

FOR YOUR INFORMATION

CONGRATULATIONS

Helga Paide, Chief Financial Officer of the Ontario P.C. party for the past 8 years has been appointed a Judge of the Canadian Citizenship Court. All those who have dealt with Helga during her very effective term of office will be sorry to see her go, but we know she will bring special abilities to her new position.

TENTH ANNIVERSARY

The Commission on Election Contributions and Expenses was established ten years ago. We are holding a reception at the Commission offices on Wednesday, February 13th, 1985 from 5:00 to 7:00 p.m. to honour the founders of the Commission.

1984 ANNUAL RETURNS

January is the month to obtain bank statements, check contribution receipts and balance your books. February should see the return in the hands of the auditor. We would like to see it by March. Let's not get to a general election with constituency annual returns still lying around.

SEMINARS

We are prepared to set up seminars on election financing again this winter if there is sufficient demand. Drop us a line, or phone, if you are interested.

COGEL

Our Commission keeps a close watch on election finance systems in other provinces and states. We can avoid their pitfalls and adopt their good ideas. Vice-Chairman Ronald Sobier reports on a recent conference:

"Members of the Commission and staff attended in Seattle, Washington for the Council on Governmental Ethics Laws Conference which was held December 2-6, 1984.

An opportunity was afforded us to examine the systems of 38 American as well as other Canadian jurisdictions. While the Ontario statute and the Commission deal with Election Financing and Expenses, other jurisdictions also deal with conflict of interest, election practices and governmental ethics generally.

The seminar and workshops were well prepared and instructive and the hard work and dedication shown by all members of the Conference was evident from the quality of the presentations.

Commission member and Ontario Chief Election Officer, Warren Bailie stepped down as a member of the Steering Committee of the Council. Our congratulations to Warren for assisting in the successful conference."

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the Bagman

Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4

VOLUME 2 - No. 2

APRIL, 1985

ELECTION TIMETABLE - FINANCES:

Writs of election for Ontario have been issued for Thursday, May 2nd, 1985. The Chief Election Officer will be issuing his timetable for election events. There are also some significant time periods described in the Election Finances Reform Act, and we draw these dates to your attention.

1. WRIT DATE: Monday March 25th, 1985

2. CANDIDATE CONTRIBUTION PERIOD: The period during which a registered candidate may accept campaign contributions through his chief financial officer:
starts

- (a) March 25th, 1985 for those whose application for registration has previously been filed with the Commission.
- (b) The day following receipt at the Commission offices of the application for registration where hand delivered or sent by ordinary mail.
- (c) The third day after mailing an application for registration when sent by registered mail to the Commission.

Ends: September 2nd, 1985.

3. CAMPAIGN ADVERTISING: The period during which a registered party, constituency association or candidate may broadcast, publish or use outdoor advertising facilities for the purpose of promoting or opposing any registered party or the election of a registered candidate.

Starts: Wednesday, April 10th, 1985.

Ends: Tuesday, April 30th, 1985 at midnight.

4. NOMINATION DAY: The time before which a candidate must file nomination papers and a deposit of \$200.00 with the Returning Officer of the Constituency:

Thursday, April 18th, 1985 at 2:00 p.m.

5. POLLING: Thursday May 2nd, 1985, 9:00 a.m. to 8:00 p.m.
(West of 90th meridian 8:00 a.m. to 7:00 p.m.).
6. CAMPAIGN PERIOD: For the purposes defined in the Act, March 25th, 1985 to September 2nd, 1985.
7. FINANCIAL RETURNS FOR THE CAMPAIGN must be filed with the Commission on or before November 2nd, 1985.

NOTE: A candidate must be registered with the Commission for contribution purposes and in addition must file his or her nomination papers and deposit of \$200.00 with the Returning Officer as described under "Nomination Day" above.

THE TENTH ANNIVERSARY

In the summer of 1984, the idea of marking the Tenth Anniversary of the Commission on Election Contributions & Expenses took hold, and it culminated in a reception on February 13, 1985. In 1975 a Commission to supervise political and election finances in Ontario was grafted onto the main body of the provincial government. It established contact with many diverse groups of people. Its founders watched from a distance as their ideas took shape and were tested. Candidates for election and M.P.P.'s alike felt the restraint and supervision placed on their finances. Local associations of political parties were given legal status, and at the same time placed under supervision. Contributors to the political process were given limits for their involvement. Chief financial officers were created for most political bodies which handle funds, and on them the burden of accounting was placed. Auditors of the political accounts had a new set of rules to consider. The Commission membership was created from a unique blend of partisan and non-partisan individuals. And the Election Finances Reform Act remained in the same form after ten years of testing. It seemed time to have a look at the Commission, and to see whether the graft had firmly grown. And what better way than to bring together the people directly involved.

February is a chancey time to hold any large gathering, but we took our chances. A February 12th storm practically closed down travel in Ontario, but on the 13th it eased off somewhat and we broke even, weather-wise. Nine separate groups of people were present; the Camp Commission which recommended establishment and rules of operation back in 1974; the Legislative group which passed the law; the original 1975 Commission Members; the original staff completing ten years of service; the original legal and auditing advisers; the chief financial officers with ten years of service; current Cabinet Ministers and M.P.P.'s; special list of invitees from other jurisdictions and departments; and Assembly people with whom we work on a daily basis.

On Wednesday, February 13th, 1985 the Commission on Election Contributions and Expenses arranged a get-together of the many diverse groups who are interested in its operation and with which it works. The official occasion was the Tenth Anniversary of the founding of the Commission. The special events were presentation of plaques to the founding groups and certificates of appreciation to Chief Financial Officers throughout Ontario who have carried out their duties during the ten years of operation.

The event was a total success. Although a sudden winter storm cut down the attendance from the 140 people who had accepted to about 100, there was representation from all invited groups.

The Camp Commission, which recommended our terms of reference, the Members of the Legislature who set up and passed the Bill in 1975, the original members of our Commission, the Chief Financial Officers, our staff members, party officers, M.P.P.s and special guests were all represented. Many met for the first time and enjoyed comparing notes, discussing problems, and seeing the results of their labour.

A photographer was present to record many of these encounters and discussions, and we are displaying the pictures in our office as a permanent record. On these four pages we have included a sample of the result.

GUESTS WERE GREETED BY STAFF MEMBERS



Judie Fitzpatrick, Office Manager
Daphne Check, Audit Assistant



Maria S. Kovacs, Secretary
Millie Petrus, Admin. Assistant



Commission Chairman Gordon Aiken presents
Camp Commission Chairman Dalton Camp with
Commemorative Plaque.



Former Chairman Arthur Wishart speaks
to the group while former member Ed Kowal,
Dalton Camp, Ron Sobier and Commission
member Wally Zimmerman look on.



Wally Zimmerman presents former Speaker Russell Rowe with a plaque with Douglas Fisher and Dalton Camp and Ron Sobier present.



N.D.P. Leader Bob Rae looks at Commission literature while Dalton Camp makes a comment.



Commission Member Don Guthrie poses with John White former Cabinet Minister who carried EFR Act through the Legislature in 1975 and Blair Taylor of the Ombudsman's Office.



Russell Rowe and former Leader of the Opposition Robert Nixon discuss matters with Harold Young a former Vice-Chairman of the Commission.



Laura Legge, Bencher representative on the Commission introduces the M.P.P.s present.



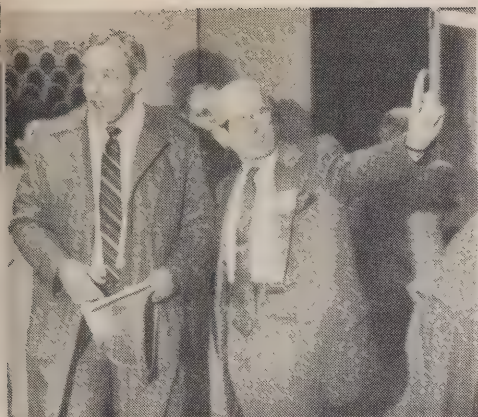
Pierre Cote, Director General of Elections for Quebec chats with Warren Bailie, Chief Elections Officer and Chairman Gordon Aiken.



Former Commission Vice-Chairman Stewart Cooke reminisces with Counsel Peter Maddaugh.



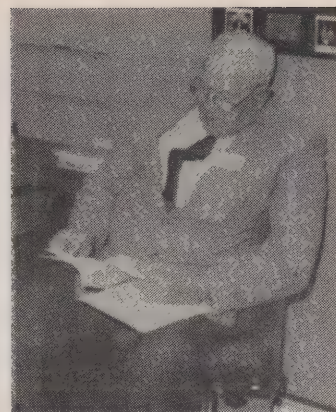
Research Director Anna Stevenson visits with Ellen Schoenberger, Personnel Officer of the Assembly while C.F.O. Flora Blais has a conversation with someone else.



M.P.P. Hugh Edighoffer is astonished with something happening on his right while Bob Dobson points out something to the left. (We had no magicians or dancing girls.)



Bob Nixon, M.P.P. has a serious discussion with Justice Gordon Blair, a former Vice-Chairman of the Commission.



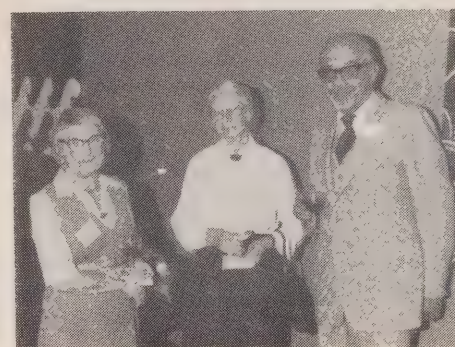
C.F.O. Eric Pearson who came the longest distance from Fort Frances relaxes while he looks over some literature.



Dario Savio from the Ministry of Revenue is distracted by the camera while chatting with Executive Director Don Joynt



Miller time - Bernie Reynolds C.F.O. for Muskoka and Campaign Manager Lou Parsons have a word with Dalton Camp.



N.D.P. Auditor Bernie Nayman with long-time auditor Helen Burpee and C.F.O. Jennie Freed.



C.F.O. Jack McBurney brought along his daughter Colleen, to meet Election Finance people.



M.P.P. John Lane gives his views to Lou Parsons and Blair Taylor while M.P.P. Doug Kennedy has another conversation.



C.F.O. Cecile Battocchio who came all the way from Schumacher poses with Bob Dobson and C.F.O. Homer Royds



Commission member Penny Dickens chats with auditor Bernie Nayman



Former Vice-Chairman Barbara Sullivan shares a joke with Assistant Registrar Ed Allen while Registrar Bob Dobson and C.F.O. Homer Royds look on.



C.F.O.s Pat Rehkopf and Eric Waldron pose for the camera.



M.P.P. Andy Watson shares a joke with Karin Scotland and Ellen Schoenberger.



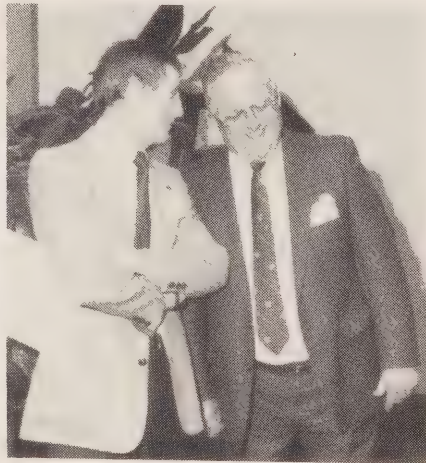
Commission Chairman Gordon Aiken has a quiet chat with Dalton Camp.



C.F.O. Fred Gaskin and Libertarian Party Leader Robert Cumming share experiences.



Vice-Chairman Ron Sobier and Chairman Gordon Aiken pose with Karin Scotland and Assembly Finance Officer Joe Miggiani



C.F.O. Bob Boyd gives a chuckle to Don Joynt



Goodnight - C.F.O. Ryland New says "Au Revoir" to M.P.P. Bob Nixon.

Presentations were made by current Commission Members, with appropriate comments on the people being acknowledged. Replies, both humorous and serious, were made on behalf of the different groups by Dalton Camp, Douglas Fisher, Robert Nixon, M.P.P. and Arthur Wishart. A cross-section of the gathering is shown on a supplement which accompanies this bulletin. It helps us all to attach faces to names and gives an index to events.

We have had a lot of favourable comment. Perhaps it is best summarized in one letter which said "The gathering was a unique opportunity to see the various stages of the process personified."

To those who came, we say thanks for the effort. For those who couldn't make it, we hope this report and the supplement are a sufficient substitute.

But above all, there was an inter-play and discussion among those present - all interested in the same subject but from totally different aspects.

THINGS COULD BE WORSE:

A story came across our desk recently about a state legislator in Washington who was sentenced to five years in prison for failing to file his political contribution report on time. It seems he was faced with about 20 charges of racketeering, but the only charges they could prove were late filing of his election returns and a related telephone call across state lines. A reporter who interviewed the convicted party, Gordon Walgren, who was Senate majority leader, running for Attorney General, reported as follows:

"That (late filing) got him a five year sentence, along with two other defendants. They served the two year minimums and all were paroled in May. So I asked Walgren what he thought about the public disclosure commission laws. 'Great!', he said. 'I think they've done a lot for political financing, but the problem is that they can be used for purposes for which they were not intended.' Despite what happened to him, he is solidly for public disclosure by public officials."
So are we.

ANNUAL RETURNS FOR 1984:

They are due on May 31st, 1985, in spite of the election call. Quite a few constituency associations heeded our warning and filed early this year. They have avoided the bind of working on three sets of accounts. Yes, three. Constituency associations must keep a separate account of contributions and expenses during the campaign period from March 25th to September 2nd, 1985, as well as accounts for the remainder of the year. If you are still sorting out 1984, it's going to be tough.

OUR APOLOGY:

It is always dangerous to name names and make lists, but we took the chance of missing someone when we published the names of ten year C.F.O.'s in previous bulletins. And we slipped.

Mr. William A. Sloat, Hamilton East N.D.P. Chief Financial Officer has continuously and faithfully acted for the association as well as being the C.F.O. for each of the campaigns for Mr. Bob MacKenzie, M.P.P. Although he has received our "Certificate of Appreciation", Bill is justly due an apology for our oversight.

HELPFUL INFORMATION:

For a quick guide to financial requirements for the election you should have:

- (a) Pocket Guide to Election Finances Law.
- (b) Our issue of January 1985.
- (c) Guidelines for Chief Financial Officers.
- (d) Election Finances Reform Act.

We can provide any of these at the office, or on receipt of a telephone call.

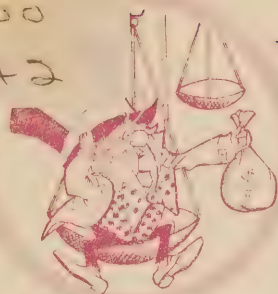
SEMINARS:

The response to our offer to hold seminars this Spring was insufficient to justify setting them up. In any case, the days for instruction are over and the election is upon us.

NOW BACK TO THE ELECTION:

Like everything else in this world, elections are not as simple as they used to be. A new Election Act was passed last December. Election Finance laws have overlaid the former processes. Not long ago, you only had to file your nomination papers with the Returning Officer and the rest was up to you. Now there are rules on contributions, expenses, accounting and campaign advertising. We don't expect you to remember everything. If you are in doubt, call us in Toronto at (416) 965-0455. We accept collect calls from those involved in the election process. We have several people who can answer your questions, and the receptionist will refer you to whoever is available.

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the Dagman

Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4

VOLUME 2 - No. 3

JULY, 1985

CHANGE OF GOVERNMENT

Mr. David Peterson, Leader of the Ontario Liberal Party, has been called upon to form a new government. The Legislature adjourned on June 19th, following defeat of the Progressive Conservatives, and re-convenes July 2nd, 1985. One of the legislative items contained in the Peterson - Rae agreement for minority government is "election financing reform, to cover spending limits and rebates."

The Charter of Rights

After watching our American neighbours struggle in the Courts for years to settle matters of individual freedoms, we are now starting that process in Canada.

During the election, section 45 of Ontario's Election Finances Reform Act was challenged in Court. The matter is easily understood, so we invite you to come up with your own opinion. Section 45 provides assistance with campaign expenses to all candidates who receive 15 per cent or more of the vote cast. Section 15 of the new Canadian Charter of Rights provides that every individual is equal before and under the law and has the right to the equal protection and benefit of the law, without discrimination.

Mr. Gregory Vezina, an Ottawa candidate, went to Court to complain that as he did not expect to receive 15 per cent of the vote (he didn't) he was not receiving equal benefit of the law with other candidates who do. The answer to his complaint, in part, is that governments are entitled to draw lines in preparing programs, and that there is no discrimination here against any particular group of people. A final decision may not come for some time.

"Slip of the Tongue?"

Eddie Sargent, M.P.P. for Grey-Bruce was complaining in the Legislature on June 17th about a well-known farmer receiving an appointment as Supreme Court Registrar. Any farmer? "Yes" he affirmed, "even a farmer outstanding in his field."

REPORT ON MEMBERS' INDEMNITIES

-- an editorial by the Chairman --

One of the duties of our Commission is to review the amount payable to our M.P.P.'s, and to make a public report each year. The annual report for 1985 was tabled in the Assembly on June 5th.

Let's start off by saying that we recommended an increase in the basic indemnity from \$34,808 to \$40,000. We made recommendations for adjustments in committee allowances and pensions, and a 4% increase for special offices, such as cabinet ministers and party leaders. Our proposals are not final; the last word is with cabinet.

About the last thing our Commission expected was public support for our report. And we were right. Our M.P.P.'s take the heat from the public for every complaint of human existence in the province, why should their salaries be an exception? The media, in general, are not responsive to the problems of the M.P.P.'s and are inclined to underrate their efforts. The party leaders were definitely negative - our report landed in the middle of a crisis, and increasing their own salaries was far from the top of their priorities.

Members of the Assembly should not be compared with the public service or for that matter, with any other group. Members have no job security. They have no hours off; they are at the service of anyone, anytime. Most spend their week-ends in the riding office, or making calls or doing official business. Their family life is disrupted, they lose the best years of their career. They should certainly not make money because of their public service; neither should they lose it. And what about cabinet ministers and party leaders? They must totally abandon all other business while in office. As for salary, where else would a \$21,000,000,000 operation pay its chief executive officer \$89,400 (the Premier's present salary). Ontario stands high among North America's provinces and states; its representatives should be adequately compensated.

In the recent election, 43 new Members were elected to the Assembly. They will have to abandon or disrupt their own occupation. Truth is, some didn't expect to win, and their new life has crashed upon them. The Members they defeated must now reorganize and rebuild their lives. Can this be ignored?

It might be asked: who forms this Commission and what interest do you have? Well, we have already given a profile of each, and you see their names on our letterhead. There are no M.P.P.'s. Six are active party workers, two nominated by each party represented in the Legislature. They work in elections, and between elections, but they hold no office in any political party. One other member is appointed from the governing body of the Law Society, and another is Ontario's Chief Election Officer. The Chairman is a former M.P. in Ottawa. Our members know what the work of an M.P.P. involves; we are totally independent and free to express our view. We have done so.

FOR YOUR INFORMATION

On May 23rd, the Chairman and 4 of our staff members took part in a seminar for newly elected Members of the Legislature. The seminar was organized by the Clerk's office to help new Members find their way through the expanding maze of offices, regulations and departments and the rules of procedure which face the new Member. Mr. Smirle Forsyth did a great job in setting up the seminar and seeing it through under the supervision of Roderick Lewis, the Clerk.

* *

Our Tenth Annual Report for 1984 has been printed and is now being distributed. We have tried to make it interesting, and welcome any comments.

* *

Messrs. Ronald Sobier, Q.C. and Donald Guthrie, Q.C. of the P.C.'s, and William Scandlan of the N.D.P. were re-appointed to the Commission for a further five year term until May 7th, 1990. All three are experienced and knowledgeable members, and we look forward to their continued careful guidance.

* *

Under the new Election Act passed in December, 1984, a deposit of \$200.00 must be left with the Returning Officer by a candidate upon nomination. The Commission decided at its May meeting that this deposit is not a contribution to the candidate's campaign, under the Election Finance Reform Act, nor is it a candidate's own funds under section 19(3), whether the deposit is refunded or not. Therefore, a candidate who had no contributions or expenditures may continue to certify to that effect; and the deposit does not qualify as a contribution for provincial tax credit purposes.

* *

The campaign period for the May election continues until September 2nd, 1985. Until then, the C.F.O. of a candidate may continue to accept contributions and provide contributors with an official receipt for tax credit purposes. The candidate's final return on our CRI form must reach us by November 2nd, 1985. If the candidate qualifies for a provincial subsidy, it will be provided as soon as the return has been checked by staff and approved by the Commission. If a party candidate has a surplus after payment of the subsidy, it must be turned over to a registered constituency association or registered party.

* *

THE UMPIRE'S WHISTLE

Deregistration notices have gone out to 39 constituency associations which are in arrears of filing their 1984 annual return. Failure to comply with the 30 day notice will result in deregistration of the association. We expect to have all returns in by July 18th, if not, some associations won't be operating.

Early campaign advertising

We have strict rules as to when a candidate may use media and billboard advertising during an election campaign; basically during the 21 days immediately preceding the day before polling. We investigated quite a few complaints about advertising during the May 2nd election. Some related to pamphlets, which are not controlled under Ontario law; some concerned ads placed by third parties, which are also not regulated. But two candidates "jumped the gun" by early newspaper advertisement, and did not provide the Commission with a satisfactory explanation. As a result, Andrew Caddell, Liberal, Ottawa South, and Hans Daigler, Liberal, Carleton were publicly reprimanded by the Commission.

Board of Education Billboards

The Toronto Board of Education erected billboards in front of Toronto schools during the election campaign, showing a decline in the grants made by the Ontario Government to Toronto schools. The Commission agreed that these billboards were directed against the government party, but as they were erected on the Board's own property, at the Board's expense, they were considered "third party advertising" and thus did not contravene the law.

Women's Electoral Fund

The Commission is still investigating a fund-raising promotion during the election campaign in the name of the Women's Electoral Fund. The Commission is not satisfied that sufficient information about the destination of funds was provided to contributors. As the Fund was not registered, contributors are not entitled to official receipts for tax purposes. The ultimate disposal of this matter may have to await the filing of the New Democratic Party's campaign return.

*

*

Our office is humming with activity these days. Four university students, Peter Sharp, Julie Galloway, Dave Wong and Sybil Veenman are helping us check constituency annual returns for 1984, under Ed Allen's supervision. Auditors from the Clarkson Gordon firm are working in the office on Ontario party annual reports. Law students Michael Shapcott and John Terry are working on research projects. Eve Bill has extended her temporary contract to help out. And all regular staff are extending themselves to get through the overlap of financial returns from the December 1984 by-elections, party and constituency annual reports for 1984 and 1985 general election returns, which are just beginning to arrive and which demand immediate attention.

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the Bagman

Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4



VOLUME 2 - No. 4

October, 1985

Hello Out There - Are you reading us?

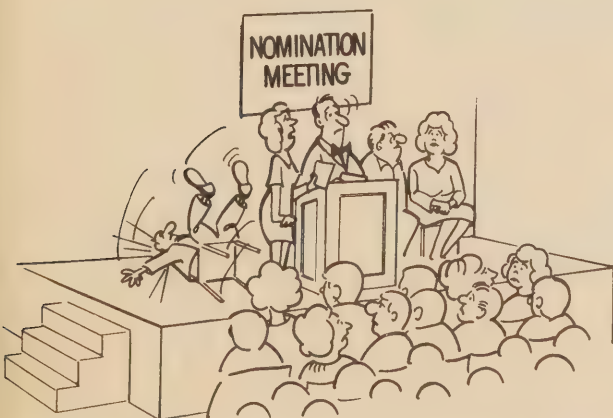
Everybody gets a lot of junk mail. For some people, that includes everything but personal letters, cheques and bills. So maybe we are junk mail. But if you are involved in political financing, we publish this bulletin for you.

Some days, we feel good about the way things are going, then come the days when nobody seems to have been listening. We try to be interesting and informative, but most of our comments are serious. The Commission was set up to make certain that political financing is restricted into certain limits, open to public scrutiny and strictly supervised. We have a small permanent staff, we check every return filed, and we report to our Commission meeting monthly. We recognize that all C.F.O.'s are volunteers, but each return is supposed to be audited before it reaches us.

The Commission members, whose names appear on our letterhead, are a fairly patient lot. They are political people, they have run campaigns, they know the mess that enthusiastic volunteers can make of an election operation and financial records. But now and then they recognize the signs of total negligence or worse, and the axe comes down.

Incomplete reporting has self-inflicted penalties. Subsidies are delayed while loan interest mounts, untraced contributions are forfeited to the Commission and lost to the campaign; C.F.O.'s and auditors spend extra weary hours trying to run down discrepancies.

So please, if you are handling political funds directly or indirectly, take a few minutes to read our Pocket Guide, the filing forms, and such friendly hints as we give in this Bulletin. Honestly, you are not much help to your candidate or association, if you leave them suspended in mid-air with financial problems.



"Oh! I forgot to mention, we were deregistered last August.
Does that mean anything?"

Fund-Raising Events - An editorial

These are the cause of much of the grief in financial reporting. The Commission is in the process of preparing a special pamphlet on "fund-raising functions", as they are described in the Act. In the meantime, fund-raising is in full swing on all fronts and we hope to head off some of the problems. Here are some reminders.

1. The organizers must first establish how much of the per person charge will be considered a contribution and how much will be expense. The entire charge may be deemed a contribution, but the greater the contribution portion, the less the purchaser may contribute on a direct appeal for funds. For details on division between contribution and expense, see page 24 of our "Pocket Guide."
2. The chief financial officer of the organization must receive and deposit the proceeds from all ticket sales and other revenues, issue official receipts for the contribution portion and pay all expenses after they have been approved by the event organizers. This procedure cannot be by-passed.
3. Designate one person to control ticket distribution, to provide ticket sellers with pre-numbered tickets and sheets for listing the names and addresses of all purchasers, and to receive and remit to the C.F.O. all proceeds of ticket sales and the names and addresses of purchasers.
4. Ticket sellers and others must remember:
 - (a) Accept only a cheque or money order in payment, unless the contribution portion is \$10 or less.
 - (b) If a "table" or a substantial purchase of tickets is made, make sure that contribution limits of the purchaser are not exceeded.
 - (c) Do not sell tickets to non-residents of Ontario, and this includes corporations and trade unions as defined.
 - (d) Where a business organization purchases tickets, verify that it is incorporated, with the words "Limited" "Incorporated or "Corporation" or their abbreviations in its name. If not, the contribution must be entered in the names and amounts of the individuals who are partners or associates.
 - (e) Anonymous purchases cannot be accepted.
5. Contributions of goods and services such as food, beverages, flowers, lumber and the services of tradesmen may be accepted, but if over \$100 in retail value from any one source, they must be reported as contributions. Voluntary unpaid labour is not a contribution.
6. If you are planning a joint fund-raising function, the C.F.O. of one registered organization should be designated as treasurer to handle all finances, issue receipts and divide profits.
7. For further instructions, please refer to our guidelines and the Election Finances Reform Act, which is the final authority.

The Umpire's Whistle

Deregistration

The Northern Ontario Heritage Party was deregistered on July 31st, 1985 for failure to file its annual returns on time. This party was organized in 1977 and had its headquarters in North Bay. The party had no constituency associations and had not fielded candidates in any provincial election.

In our July issue, we reported 39 constituency associations on 30 days notice of deregistration. Well, they all made it, many returns arriving by hand at the very last moment. One was delivered a few minutes before the Commission meeting started, and it was accepted. But that's cutting things a bit fine.

Women's Electoral Fund

In the July issue, we commented on the above fund which was organized by the New Democratic Party during the 1985 election campaign. Some doubt was expressed whether contributors were fully aware that their money was going to the N.D.P. The Party subsequently wrote to contributors, with the approval of the Commission, stating the problem, and offering to refund any contribution which was not intended for the N.D.P. A number of contributors asked for and received a refund. The matter is now closed.

MUNICIPAL ELECTIONS - WARNING

Ontario Constituency Associations can not solicit contributions to support the election of municipal candidates. Any receipts given for tax purposes on the forms provided by the Commission will be declared invalid in such cases. This rule has been adopted and enforced by the Commission for a number of years.

This rule does not prevent a local Association from supporting a municipal candidate, provided the money comes from general funds of the Association collected for its general purposes.

With municipal elections being held throughout Ontario this fall, we ask all our correspondents to be particularly mindful of this situation when funds are being raised. The reason behind the rule is this: in soliciting contributions for a municipal candidate, the association is acting as agent for the candidate, not soliciting its own funds. Municipal elections are not funded under the Election Finances Reform Act and contributions are not eligible for the tax credits which our receipts provide. So please be careful.

Resigned - Hon. Marcel Masse, Federal Minister of Communications has resigned from cabinet on principle while his election finances are being investigated.

Don't forget these filing dates

1. Candidates

The campaign period for raising money and paying bills for the May 2nd general election expired on September 2nd, 1985. Campaign returns (Form CR1) for all candidates in the election are due in the Commission office at the above address on November 2nd, 1985.

2. Constituency Associations

Two reports are required for 1985. The report of receipts and expenses during the campaign period (March 25th to September 2nd, 1985) is made on our form CR3, and must be filed by November 2nd, 1985. This enables the Commission to verify that the total amount spent for "commercial advertising" during the campaign by both the candidate and his association does not exceed the limit of 25 cents per name on the revised voter's list for the constituency.

The annual report for the remainder of 1985 (January 1st to March 24th and September 3rd to December 31st) is due on May 31st, 1986 on our form AR1.

3. Registered Parties also file two similar reports, of which they are well aware.

PRESIDENTS AND C.F.O.'s

If you retire from office, notify the Commission yourself. Then you won't be blamed for the defaults of your successor.

Amendments - There are hopeful signs that the long-awaited amendments to the Election Finances Reform Act may be placed before the legislature this coming session.

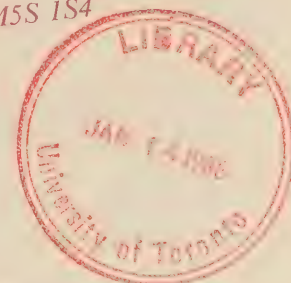
Commission Members

The term of office of Mrs. Barbara Sullivan and Mr. Wally Zimmerman, Liberal appointees, expired this summer. They both gave excellent and informed service to the Commission, and we thank them sincerely. Mrs. Sullivan, who served as Vice-Chairman while the Chairman's office was vacant, is now Executive Assistant to the Hon. Robert Nixon, Treasurer of Ontario, Minister of Revenue and House Leader.

Ms. Christine Hart, an eminent legal counsel from Toronto, and Mr. Donald Paterson, a former M.P.P. from Leamington, have been appointed in their place. Welcome to both.

Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4



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the Bagman

VOLUME 3 - No. 1

January, 1986

"Goods and Services":

When the Ontario Legislature passed the Election Finances Reform Act in 1975, one thing was made clear; volunteer labour in a campaign or for a registered association or party is not a contribution of services. Volunteer labour is not reported; it is not eligible for a tax credit. The same applies to goods produced by voluntary unpaid labour, such as hand-made posters. The legislature did not limit the activities of party volunteers. They can work and still contribute money within the permitted limits. This provision is in clause 1(1)(g) of the Act.

On the other hand, the law does permit contributions of a commercial value to be made. An electrician who sets up the electrical system in a committee room or banquet hall, for example, may submit his account, and if it has a value of over \$100, it can be a contribution. So also a florist who provides flowers for a fund-raising dinner, a printer who prints tickets or hand-bills. But it does not apply to volunteers who suddenly decide they want a tax receipt, nor to a C.F.O. who gives volunteer workers a contribution receipt as a bonus.



Ed Allen watches the 1985 election statements pile up.

The goods and services provisions are being abused. Contribution receipts are apparently being issued to persons who are really volunteers and are in no way eligible. Some goods and services are over-valued and this will be thoroughly investigated by the Commission. Invoices must be provided by all contributors of goods and services. Where a breach is proven, contribution receipts will be cancelled, and both contributor and recipient may be subject to the penalties provided in the statute. So be warned.

Election campaigns cannot be financed through the issue of tax deductible contribution receipts for over-valued or non-existent goods and services. If the C.F.O. and auditor fail in their duties, the Commission will call up the evidence itself; and apply the penalties.

FED UP?

Have you had it up to here with politics over the past couple of years? If you're a volunteer worker, a contributor, or a party officer, you must be, and we can understand it. Here are some of the things that caused it.

Events:

- Federal Liberal Leadership - 1984
- Federal Election - September 4, 1984
- 5 Provincial By-Elections - December 13, 1984
- Provincial P.C. Leadership - January 26, 1985
- Provincial General Election - May 2, 1985
- Provincial Change of Government, June 27, 1985
- Provincial P.C. Leadership - November 16, 1985

Financial Statements:

Our Commission has required the following financial returns:

- Candidates' By-Election Returns for December, 1984
- Constituency and Party By-Election Returns for 1984
- Party Annuals for 1984 - by May 31, 1985
- Constituency Annuals for 1984 - by May 31, 1985
- Campaign Period Returns for Parties - by November 2, 1985
- Campaign Period Returns for Constituency Associations - by November 2, 1985
- Campaign Period Returns for Candidates - by November 2, 1985
- Party and Constituency Annuals for 1985 - coming up.

Some C.F.O.'s have thrown up their hands and quit. Some leave their successors in good shape, others leave the traditional shoe box full of loose papers. A lot of the same people work in both federal and provincial elections. There are different finance laws at each level. A lot of the same people act as C.F.O.'s for both constituency association and candidate. And here we are, the Commission, down your necks all the time demanding on-time filings, amended returns, explanations, refund of contributions, and forfeiture of funds.



Judie Fitzpatrick, Daphne Check and Don Joynt "What will we find in these?"

Well, don't give up. We are going through an unusual period of change in this country - change of leaders, change of governments. Some day, I suppose, historians will tell us why. In the meantime, we are part of it - as voters - as workers - as supervisors. It's not a time to give up, it's a time to take part. By our own example and action, we are each in our own way helping to shape the future.

The Umpire's Whistle:

Here are some notes on enforcement.

Sponsorship of fund-raising events -

Arising from an enquiry into fund-raising activity in the early weeks of the new Liberal government, our Commission has issued guidelines requiring that all literature issued for fund-raising purposes clearly identify the intended recipient of contributions. This includes fund-raising functions for which tickets are sold.

A copy of three separate guidelines is enclosed with this issue.

Late filings -

We still have a few defaulters in filing constituency association, or candidate campaign returns due on November 2, 1985. They are now on 30 days notice.

All elected candidates are in compliance.

The New Democratic Party and its central auditor, Mr. Bernie Nayman, C.A. deserve credit for their control system. We get their returns on time and generally in good order.

Hon. Marcel Masse, M.P. has been reappointed to the Federal Cabinet after being cleared of any contravention of campaign over-spending. The Election Office in Ottawa is facing some very difficult problems over the 1984 elections, without sufficient guidelines and surrounded by a great deal of publicity. A lot of people suddenly realize how important, and how difficult it is to control election finances.

For your Information:

Charter of Rights - The Manitoba Court of Appeal has affirmed a judge's decision that payment of subsidies to candidates and parties at an election, from public funds, does not infringe a person's freedom of expression, speech or conscience. The applicants alleged that in paying taxes they were being forced to support views with which they did not agree.

Commission Membership - In our October issue, we reported the appointment of Christine Hart as a member of the Commission. Ms. Hart has resigned (we understand she may plunge into politics) and has been replaced by Miss Barrie Maxwell of Toronto who is well acquainted with election finances. Mr. Daniel J. Murphy, Q.C. of Goderich, Ontario has been appointed as the Bencher representative on the Commission to replace Laura Legge, Q.C. whose term expired. Mrs. Legge attended regularly and was an outstanding member, in spite of many other duties such as Treasurer of the Law Society.

Fund-Raising Pamphlet:

We have so many problems with fund-raising functions that the Commission has issued a special pamphlet. Copies are enclosed with this mailing. We will provide additional copies on request.

Redistribution of provincial ridings is now almost complete, and should have final approval this month. If present proposals stand, only 16 constituencies will remain unchanged, 38 will be substantially altered, wholly divided or eliminated and the other 71 will have marginal changes. That's pretty heavy, folks, but changing population requires new representation. We are providing for division of riding association funds and other matters in amendments which should accompany redistribution.

Amendments to our Act:

Part of the agreement between David Peterson, Leader of the Ontario Liberal Party, and Bob Rae, Leader of the New Democratic Party of Ontario signed in May, 1985 was for "election financing reform to cover spending limits and rebates, at both the central and local campaign level."

The Liberal government has been pressing ahead with its agreement, and we understand that they fully intend to go ahead with changes to the election financing laws of Ontario. This will include the changes and improvements which our Commission has been recommending over the years.

We are planning for changes this year, which will result in new guidelines, new forms, and seminars to keep everyone in touch. Of course, we don't know when the bill will be introduced, or when it will be passed. But we are looking forward to an exceptionally busy 1986.

Messages from our staff:

1. Please answer our letters and requests promptly. It's not only a contravention of the Act not to do so, but it holds up presentation of your return to the Commission for approval, and delays payment of subsidies.
2. Don't forget to advise us immediately of changes in your officers, C.F.O. or auditor.
3. All the best to our correspondents, workers, party officials and M.P.P.'s for a successful new year.

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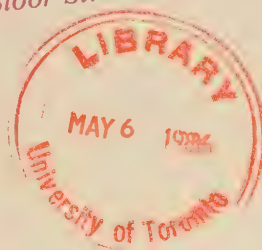


the **Dagman**

**Election
Finance Reporter**

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4

VOLUME 3 - No. 2



April, 1986

"Partnerships"

Partnerships, firms, associations, groups, organizations - it doesn't matter what they call themselves; unless they are legally incorporated they cannot make political contributions in Ontario. Only persons individually, corporations or trade unions may contribute. This very clear rule causes officials of our Commission, chief financial officers and candidates a lot of trouble. It also results in delays while we chase down the names of the individuals who made the contribution, and holds up approval of returns and subsidies.

The reason for the rule is clear enough. The names of contributors to the Ontario political process, and the amount each contributes must be clearly stated. So we would have a loophole a mile wide if people could contribute in their own names and again through a group, association or firm whose members are not identified. Firm names are of little help, lots of people carry on business under a trade name; partnerships often carry the names of persons long gone. An association changes its members and officers regularly. The legislature has therefore, decided that only corporations, which are considered in law to be single legal entities, and trade unions which are given similar status, may contribute as a "group."

Most professional groups such as lawyers, doctors and accountants are partnerships and not incorporated. Many small businesses use a trade name unconnected to the ownership. If a contribution is made in the names of such groups we do not know what individual actually made the contribution. The same applies to "organizations" and "associations."

A corporation in Ontario is almost always identified by the words "Limited", "Corporation" or "Incorporated" at the end of its name, or by the abbreviation of those words. So a collector should be careful of any group

name on a contribution or cheque. One of the first things we check at the Commission is a name other than that of an individual, so it's not likely to slip past.

We know this rule is a nuisance. But collectors, C.F.O.s and auditors can save a lot of time by verifying that every group name is either a corporation or a trade union, when issuing receipts or checking contribution lists.

There is no problem if partnerships, associations or organizations list with their contribution the names of the individuals and amounts attributed to each. If this is not done, the Commission must do so. So long as no individual exceeds the contribution limit set out in the Act, group contributions can be divided in any way the group declares.

CHAIRMAN RETIRES:

The term of office of our Chairman, Mr. Gordon Aiken, Q.C. expired in early April, and a luncheon was held in his honour at noon April 4th, 1986. Mr. Ronald Sobier, Q.C., Vice Chairman of the Commission presided at the event, for which much of the organizing was done by Mr. Bob Dobson, Registrar. Mr. Robert Fleming, Director of Administration of the Legislative Assembly spoke of the good relations between the Commission and the Legislature and the contribution made by Mr. Aiken in that regard. Mr. Don Joynt, C.A., Executive Director outlined the changes in direction made by Mr. Aiken during his term of office, and the significant events during that time.

A lovely presentation was made to Mr. and Mrs. Aiken on behalf of the Commission members and staff, who were present for the occasion, following which the Chairman responded. He thanked the staff for their excellent work at the Commission and their helpful and pleasant dealings with the public. He also thanked the Commission members for the firm direction and open discussion of difficult matters which arose during his chairmanship.

The appointment of a new Chairman has not yet been announced, and in the meantime, Mr. Sobier will preside at the next Commission meeting, and act in the Chairman's stead.

REDISTRIBUTION:

The final report of the Electoral Boundaries Commission has now been submitted to the Legislature. They made a number of changes from their first report, based on objections raised during debate in the Legislature. A bill will now be introduced into the Legislature to bring the proposals into law. Our Commission will have certain duties relating to registration of new associations and audit of funds. These duties will have to be provided in new legislation.

THE UMPIRE'S WHISTLE:

At the Commission meetings of January, February and March, 1986 reprimands were issued to a number of associations and candidates concerning returns filed with the Commission. A reprimand does not result in a penalty being imposed. It is a reminder to the persons involved of their deficiency, and also forms the basis for any future decisions of the Commission for further default.

Poorly kept records by a C.F.O.	3
Late filing by Constituency Association	47
Late filing by General Election Candidate	11
Receipt of contribution before registration ...	10
Breach of advertising limits	1
Over-valuing of goods and services	1

Deferrals -

At the March meeting 3 candidate returns presented by staff were deferred because of incomplete information available. That meant that 3 candidates will wait at least another month before receiving their campaign subsidy.

Deregistrations -

At the January meeting 2 constituency associations were deregistered for failure to file a campaign period return.

DECISIONS:

Cash contributions -

At the January meeting, a constituency association was advised that where some ticket purchasers for a

dinner dance refused to pay by cheque or money order, a receipt for only \$10 could be issued and the excess would have to be refunded.

Commission Reports -

Our Commission has delivered to the Speaker of the House its Annual Report for 1985 and its report on Members' Indemnities.

Research Study -

There has been a great deal of discussion on the financing of party leadership campaigns. Our research department has produced a book entitled "Political Financing: Studies on Election Spending Limits and Party Leadership Campaigns."

This booklet was distributed to M.P.P.s and Press near the end of February, 1986. It is a study only and contains no recommendations by the Commission. Copies may be obtained from the Commission Office.

BY-ELECTION:

A by-election in the constituency of York East has been called for April 17th, 1986.

Statistics -

Here are some statistics to wind up this report.

Number of registered parties in Ontario	7
Number of registered constituency associations ...	422
Number of candidates in 1985 general election	442
Number of Commission staff to handle these.....	9

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the Bagman

Election Finance Reporter

Commission on Election Contributions & Expenses
Ste. 800, 151 Bloor St. West, Toronto, Ontario. M5S 1S4

VOLUME 3 - No. 3

July, 1986

Ontario is now moving from the 125 old constituency associations to 130 new electoral districts.

Before adjourning for the summer, the Legislature passed a new Election Finances Act (copy enclosed) and the Representation Act, 1986, establishing the new constituency boundaries. The procedures for moving from the old to the new, and for handling funds during the transition period, have been set out in the new legislation. It is important that you be aware of these procedures so as to avoid unnecessary problems.

First, with passage of the Representation Act, 1986, there was an automatic, across-the-board, deregistration of all existing constituency associations (section 12(2)). That means your constituency association is no longer registered, even if its boundaries have not changed.

There should be an immediate division of assets/liabilities and surplus/deficits (including any unresolved surplus or deficit of the 1985 candidate) for sharing among the successor associations. Any difficulties in this sharing will have to be resolved by the party, not the Commission.

Also, while your C.F.O. must file an audited statement within 45 days of deregistration (section 45(1)), there should be no delay in holding a founding meeting, with notification to all party members within the new constituency boundaries, at which time new officers, including the C.F.O., can be chosen. Once the officers of the new association are known, immediate application for registration should be sent to the Commission (section 12(3)), even though the exact assets/liabilities may not be known until the audited wind-up statement is completed. The Act stipulates a deadline date of September 1st for registration of new associations (section 12(4)(a)).

For the 16 constituencies with no boundary changes, and the 50 or more with small changes, this is a relatively routine process. It simply requires a special "annual meeting." For those with significant boundary changes, it's more complicated because of the need for detailed consultation with neighbouring constituency associations.

Second, during this transition period, the C.F.O. has specific responsibilities. Even though the old constituency association is deregistered, the C.F.O. is authorized to pay all outstanding debts from the deposits in the old association's bank account. Further, the C.F.O. remains the trustee for the balance of the funds until the new association is registered, following which the old bank account is to be closed and the funds turned over to the new C.F.O. (section 12(2)).

Third, the C.F.O. of the old deregistered association is to open a new bank account for all funds received or disbursed during the transition period (section 12(4)). The C.F.O. is trustee for this new bank account and while s/he may not issue receipts for any contributions deposited in this account, complete records must be kept, which records will be turned over to the C.F.O. of the new constituency association when it is registered.

To enable payment of expenses for a founding meeting or any other contractual arrangements (such as office rent, telephone charges or part-time employees' salaries), the C.F.O. of the deregistered association may transfer funds from the old bank account to the new "trust" account. Details of such transfers will become part of the records turned over to the new C.F.O.

Finally, in the instance where the old association, now deregistered, has to divide its surplus funds or deficit among two or more successor associations, the financial activity reflected in the trust account should be distributed to the new associations on the same basis. Since contribution income may be included, consideration should be given to turning the whole trust account over to the C.F.O. of one of the successor associations for the issuance of tax receipts and accounting to the other associations for their share of the net income.

All of which, on first reading, may sound complicated. But if the prescribed procedures are followed with care, there should be no difficulties. If perchance you have any questions, don't hesitate to get in touch with us at the Commission.

Other Highlights

So much for the procedures for the transition period. There are other interesting and important changes:

1. The maximum amount that may be contributed by any person, corporation or trade union "in any year" to a political party is increased from \$2,000 to \$4,000 and the maximum amount that may be contributed to a constituency association is increased from \$500 to \$750, with an aggregate limit of \$3,000 by one contributor (section 19(1)(a)).
2. During any campaign period, similar amounts can again be contributed to political parties and candidate(s) (section 19(1)(b)), however, no additional amount can be given to associations.

3. The amount of tax credit has been changed to 75% on the first \$200; 50% on the next \$600; and one-third for any contribution beyond \$800, but the total credit may not exceed \$750. Also, corporations may claim up to \$7,000 instead of \$4,000.
4. Other monetary limits have been increased: for example, cash contributions have been raised from \$10 to \$25; anonymous contributions may be accepted at meetings up to \$10; annual membership fees are not considered contributions up to \$25, and trade union check-offs are increased from 10 cents to 15 cents per month (sections 17(2), 25, 31(1) and 32)).
5. All the higher contribution limits outlined in 1-4 above are retroactive to January 1, 1986.
6. A limitation is placed on expenditures permitted during an election campaign: for a political party, a maximum of 40 cents per elector in each electoral district for which it has a candidate (section 39(1)), and for a candidate, and his/her constituency association \$2 for each of the first 15,000 electors, \$1 for each of the next 10,000 and 25 cents for each elector in excess of 25,000 (section 39(2)). Thus, for the average-sized constituency, the campaign limit will be in the range of \$45,000.
7. There will be public subsidies for campaign expenditures: for political party central offices, 5 cents for each elector in constituencies where the party receives at least 15% of the vote (section 46(6)); and for the candidate, the lesser of the actual campaign expenses or 20% of the maximum expenditure limit if s/he receives at least 15% of the vote (section 46(1)).
8. Where a candidate qualifies for the campaign expense subsidy, and his/her campaign expenses exceed the maximum allowed, there is to be a penalty of \$1 reduction in the subsidy for every \$1 of over-expenditure.
9. Previously, it was not stipulated how a candidate's campaign deficit was to be resolved. The new Act states that the deficit is to be assumed by the constituency association endorsing the candidate (section 46(4)).
10. It is now possible to issue an official receipt to the contributor of goods and services valued at \$100 or less (section 22(2)).
11. Contests for the leadership of a registered party will be governed by the new Act (section 15). Contestants will be required to register with the Commission, and there will be disclosure of contributions over \$100 and expenditures. There will be no limit on contributions and no tax credits. No constituency association will be permitted to contribute to the campaign of contestants. Any campaign surpluses will accrue to the party.

12. Constituency associations cannot spend funds to support municipal candidates (section 31(1)(b)).
13. Interim audited statements are to be filed with the Commission should the C.F.O. of a constituency association resign, or otherwise cease to hold office (section 45).

We Have a Problem!

When the deadline of May 31st passed for filing financial returns of constituency associations for the year 1985, there were 59 delinquents. In other words, about 14% of the 422 registered constituency associations were non-filers, in contravention of the Act. Among them were 20 Liberals, 27 Conservatives, 5 New Democrats, 4 Libertarians and 3 Greens. In compliance with the Act, the Commission has had no alternative, but to serve notice of de-registration on these associations (if returns are not received by July 25th).

Quite frankly, this is an inexcusable situation. There are five months between the end of the calendar year and the May 31st deadline, plenty of time (except in very special circumstances) for C.F.O.s and their auditors to complete returns. There are penalties for such non-filers and in the future the Commission will have no alternative but to have them imposed.

In addition, this year any association which has not filed its return for 1985 will be unable to move to the new constituency association, as outlined above.

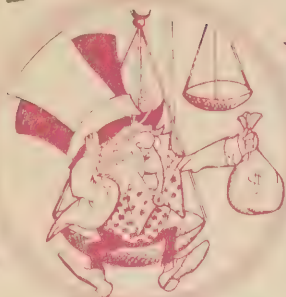
We've Had a Change in Name ...

With the new Act, the old, rather lengthy and cumbersome name of Commission on Election Contributions and Expenses has been relegated to history. Now, it's simply the Commission on Election Finances.

... And a New Chairman

On May 1st, Donald C. MacDonald succeeded Mr. Gordon H. Aiken, Q.C., as Chairman of the Commission. Mr. MacDonald was a Member of the Legislature for over 27 years (1955-82) and Leader of the CCF/NDP for 17 years (1953-70). He is a part-time lecturer in political science at Atkinson College, and editor of Government and Politics of Ontario (Nelson Canada, 3rd ed., 1985), the only text on the subject available for university and college use. Before assuming Commission responsibilities, he was a columnist for the Toronto Sunday Star. He is an M.A. graduate in history from Queen's University and holds an honorary L.L.D. from York University. During WWII, he served in the Royal Canadian Navy. He is involved in many organizations, among them, director of the Coldwell-Douglas Foundation and York Community Services, and membership in the John Howard Society, Canadian Civil Liberties Association and the Churchill Society for the Advancement of Parliamentary Democracy.

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Election Finance Reporter

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VOLUME 3 - No. 4

October, 1986

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The reason for intensive activity is now well-known: as of July 11, 1986, all 125 old constituency associations were deregistered to pave the way for establishing the 130 new electoral districts. With tight time frames, the new legislation called for the filing by August 25th of a financial return covering the activities of the old constituency association from January 1st to July 11th, and the re-registration by September 1st of the new constituency association.

More than half of the 422 constituency associations met the August 25th deadline with the filing of an audited financial return. To them, our heartiest congratulations. Given the difficulties of doing this during the holiday period, it was an exceptional achievement.

Other CFOs had problems that could not be overcome before the deadline, and their returns have been trickling in. Bob Dobson, our Director of Registration and Communication has been in personal touch with them, asking for a report of each situation where the return is not available, and for those from whom no word had been received, the staff has followed up with a telephone call.

Nearly two months have passed since the August 25th deadline. As of mid-October, the Commission had not had financial returns from nearly 100 constituency associations. They break down as follows:

38 NDP; 25PC; 22 Liberal; 4 Green; 3 Freedom.

Without Further Delay ...!: We don't wish to be alarmist, but this is a serious situation. Unless, and until, these financial returns have been filed, it will not be possible for the new constituency associations to be registered. Application can be made for registration as soon as the new officers and CFOs have been decided, but under the new statute the Commission will not be able to approve these applications until all the financial returns have been filed by constituencies from which the new association inherited some, or all, of its new territory. That means not only the returns covering the period from January 1st to July 11th of this year, but any outstanding annual financial returns from last year, or from candidates and constituency associations for the 1985 election campaign period.

This is important -- critically important.

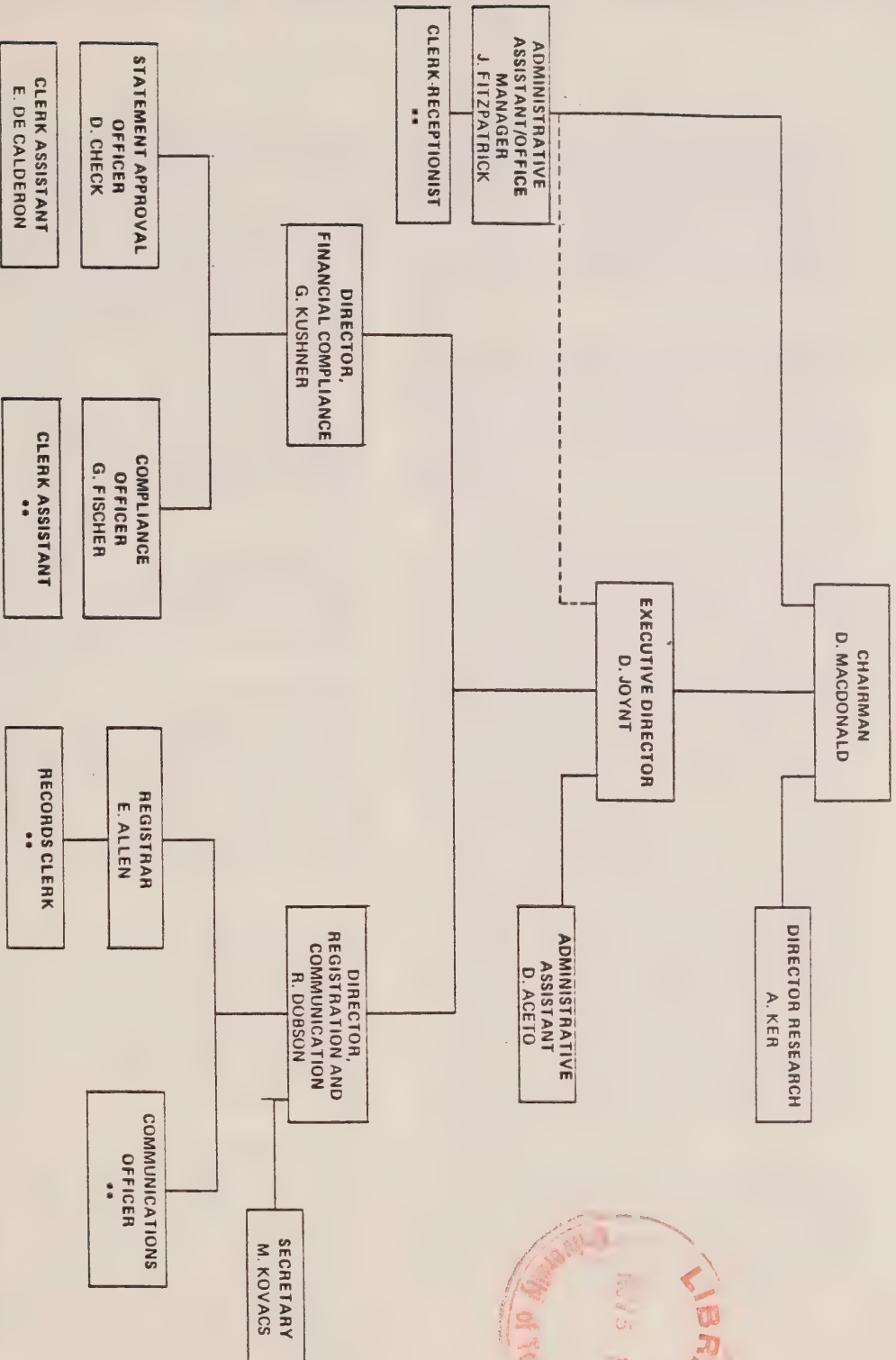
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In short, all past financial returns must be cleared up without further delay in order to permit registration of the new association. Riding executives and CFOs should give this their immediate and undivided attention. For our part, we are endeavouring to clear all the filed returns not heretofore approved by the Commission.

Misery Likes Company!: If it is of any consolation to you, we at the Commission have had our problems too. There has been a flood of telephone calls --which we welcome -- inquiring about certain details of the new Act. Staff has been dealing with them as well as the examination of the heavy flow of returns from the 422 riding associations in the seven registered parties.

In addition, however, all the materials on hand are out of date, and must be replaced. As Donald Joynt, the Commission's Executive Director, has often quipped: the only thing left was our fullscap and scratch pads! The new Act has had to be stocked in quantity. All the stationery has had to be replaced because our name has been simplified to Commission on Election Finances. All the forms are to be revised to conform with the new legislation. All the booklets on guidelines have had to be updated and reprinted.

COMMISSION ON ELECTION FINANCES Organization Chart



** Appointments pending

September 1988

AVOID PROBLEMS: IF YOU ARE UNCERTAIN ABOUT ANY OF THE REQUIREMENTS OF THE ACT,
TELEPHONE OR WRITE US.

151 BLOOR STREET WEST, SUITE 800, TORONTO, ONTARIO M5S 1S4 (416) 965-0455



Revised Ontario act balances election spending

BY DONALD C. MacDONALD

Donald MacDonald, a former leader of the Ontario New Democratic Party, is chairman of the Ontario Commission on Election Finances.

ONTARIO HAS established the most comprehensive system of control and accountability for election and political financing found in the Western world. Inaugurated in 1975, it has been updated and extended by this year's Election Finances Act.

The updating includes an increase in permissible limits for contributions and tax credits, to reflect the impact of inflation over the past decade, and for fees paid to auditors, to assure that finances, handled for the most part by laymen, will conform with normal accounting practices.

Beyond that, the new provisions deal almost exclusively with streamlining the supervisory role of the Commission on Election Finances in its co-operative effort with volunteers who carry the burden of party activity at the local level.

The system of control and accountability is now much more far-reaching. It imposes limitations not only on election and political contributions but on election expenditures. This comes in response to the growing feeling that spending is becoming excessive: in last year's provincial election, it ranged as high as \$150,000 for a single constituency; now it will be limited to about \$45,000 for the average riding.

There used to be public subsidies for candidates polling at least 15 per cent of valid votes cast. Now there will be modest subsidies to the central campaigns of each party. In the past there have been vexing problems arising from deficits of defeated candidates, as it has been difficult to fix responsibility. That problem has been removed: all deficits (or surpluses) revert to the sponsoring constituency.

Finally, party leadership campaigns have been brought under the commission's jurisdiction. All contestants must register and submit audited financial returns of contributions and expenditures. There will be no limitation on either, and no tax credit for contributors, as is the case with election or party financing. But since all contributions over \$100 will be made public, there is likely to be some voluntary limitation on the hundreds of thousands, if not millions, to which leadership-campaign budgets have grown in recent years.

One of the more interesting features of the Ontario system is that it has been the product of all-party consensus. In 1973, then premier

William Davis gave the Commission on the Legislature the added responsibility to report on election financing. Led by Dalton Camp, well known for his Conservative associations, the commission included Farquhar Oliver, a former Liberal leader and member of the Legislature, and Douglas Fisher, columnist and a former CCF-NDP member of Parliament.

Since the Election Finance Reform Act of 1975, the Commission on Election Contribution and Expenses (the name has been simplified) submitted proposals in each of its annual reports for streamlining and updating the administration. None was accepted by the government and, by last year, the backlog was massive.

When the Liberals came to power, election reform was made a major commitment in the new Government's accord with the NDP, and last fall a committee began a detailed review of the old statute. The committee had input from the various party caucuses and organizations and all changes were arrived at by consensus. Draft legislation was considered by each caucus, and the Election Finances Act of 1986 was adopted unanimously by the Legislature and given royal assent on July 10. Each party may have reservations about certain decisions, but the final product was generally acceptable.

The over-all result has been a significant democratization of financing for elections and political parties. Instead of the traditional reliance on larger corporate or union contributions, the tax credit has encouraged voters in general to support the parties of their choice — up to the limits established for corporations as well as individuals.

There is full accountability, not only of election spending, but of the annual contributions to, and expenditures by, registered political parties. These returns are available to the public in the commission's Toronto office at 151 Bloor St. W.

With the reduction, if not elimination, of excessive expenditures, which were fostering the cynical belief that elections were being "bought" by the candidate with the biggest bucks, the electoral system may enjoy a greater measure of public confidence.

G & M

23 Sept. 86

With some, such as the new receipts, we have had printing difficulties, resulting in delays in getting them to newly registered associations. If you have not received yours as yet, be assured they are on the way.

The new and added responsibilities, such as establishing overall limits on campaign expenditures as well as advertising, will have to be coped with only when the next election is called. For the moment, those concerns can be postponed as the new rules for the basic handling of political contributions and expenditures are mastered.

There are sections in the new Act which, from time to time, will require clarification. For example, the impact of section 23(5) of the new Act on party literature now on hand. The section states that "All political printed advertising, handbills, placards, posters and broadcast or telecast advertising, shall bear or make reference to the name of the person, corporation or trade union authorizing the political advertising." If some of the stock now in inventory does not meet these requirements, the Commission has ruled that it may be used up to the time of the dissolution of the Legislature and the calling of the next general election.

Furthermore, with reference to the term "person", the Commission has ruled that the name of the CFO of the party, or of the constituency association, would be acceptable.

Commission Re-organization:

Coincident with the increased activities of the past three months, the Commission has been going through a massive reorganization. Our new set-up is reproduced on the insert of this newsletter.

A bit of history: since its inception in 1975, the Commission has operated with a staff of nine. Last spring the Board of Internal Economy, chaired by the Speaker of the Legislature, which approves the Commission's financial appropriation, authorized the appointment of three new support staff to deal with the persistent backlog of paper work. With the new and expanded responsibilities arising from the Election Finances Act, 1986, in July the Board approved the appointment of three senior personnel, as indicated in the revised organizational structure.

Staff Changes and Additions:

Simply put, the work of the Commission is broken down into two components - Registration and Communication and Financial Compliance, each headed by a Director. The new Director of Registration and Communication is Bob Dobson, with Eddie Allen as Registrar, both of whom have long been working with you.

The Director of Financial Compliance is a new-comer, Gordon Kushner, C.A., who comes to us with wide experience, latterly as Educational Director with the Institute of Chartered Accountants in Saskatchewan. Working with him will be Daphne Check, again known for her years of work at the Commission, and another newcomer, George Fischer, as Compliance Officer. George is completing his studies as a C.G.A., and comes to us from a private accounting firm in Ottawa.

Meanwhile, there has been considerable re-allocation of support staff. Millie Petrus, Administrative Assistant to the Chairman, after nearly nine years work with the Commission, has retired -- lucky woman! -- to do all the things she'd like to do. Judie Fitzpatrick, formerly Administrative Assistant to the Executive Director, has succeeded Millie, but retained overall office manager responsibility. Donna Aceto, formerly Clerk-receptionist, has become Administrative Assistant for the Executive Director. And Eileen De Calderon, who has been working for many months as temporary staff, has been appointed Clerk Assistant to Daphne Check in the Financial Compliance section. As the flow-chart indicates, there are a number of vacant positions in the support staff yet to be filled.

Once we get the "bugs" ironed out in this new set up, we hope to clear returns more quickly, and ease the burden of the CFOs, the auditors and the parties.

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To assist in this process, enclosed you will find a printed consolidation of the Election Finances Act, 1986; two new pamphlets - a Pocket Guide and Fund Raising Functions - as well as the first of a series of articles by our Chairman designed to provide the general public with fuller information of the work of the Commission and the host of volunteers who carry the day-to-day burden of party activities. Further copies of these publications are available, in reasonable quantities, upon request.

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Volume 4 - No. 1

January 1987

Last year was rather hectic: new election finances legislation, redistribution of electoral boundaries, deregistration of the old constituency associations, the filing of financial returns for the period of January 1 to July 11 and the setting up of new riding associations after a division of assets and liabilities from the old ones. It was a massive shakedown, involving extra work. It was an exacting job, well done, for which hundreds of volunteers and party officials are to be congratulated.

However, new rules always have their booby-traps. It is well to be aware of them so that difficulties can be reduced, hopefully even eliminated. Here are a few.

An Old Rule but with a New Wrinkle

The first is not really a new rule, but there is an important change in its application. As you know, the Election Finances Act fixes deadlines when certain filings must be made with the Commission, such as May 31 for the annual financial return covering the previous year by constituency associations and parties. Although there is a full five months for filing this financial return along with the auditor's report, every year there have been approximately 15% of the constituency associations which have failed to meet the deadline.

Quite frankly, there is no valid excuse for this, other than failure to get at the job in time. The Election Finances Commission has no statutory authority to extend the deadline and failure to meet it constitutes a contravention of the Act, subject to a penalty of up to \$1,000 fine (section 48).

The Commission is inclined henceforth to seek imposition of the penalty for late filing. For C.F.O.'s, forewarned is forearmed!

What does this entail? Simply this: now that you have your bank statements in hand for contributions and expenditures until the end of 1986, gather all the documentation for the period from July 12 to December 31 (the earlier period in the year was covered by the financial statement filed upon deregistration of the old constituency association).

This documentation should include the records for the trust account used during the transition from the old to the new riding association. Also, that part of the financial return dealing with assets and liabilities should reflect the value of the assets and liabilities assumed from the former constituency association(s), whether receivable or already received. This is important in order that the funds of the former registered association(s) have been accounted for.

Get all this information to your auditor by March 1,
or very soon thereafter. Remember: as tax filing time looms, March and April are the busiest time of the year for accountants, so make certain that all the records are in your auditor's hands for clearance long before May 31.

In this connection a couple of suggestions for C.F.O.'s: If you are uncertain about anything, contact the Commission staff now. We are here to help you and it's far better to avoid a mistake rather than having to correct it after the filing. Secondly, when you deliver all the documentation to your auditor, accompany it with a letter with a copy to the Commission. We will know then that you have done your job, and if we have any queries, we will contact your auditor directly rather than bother you.

New Requirements --Be Alerted!

A major bugbear in the past has been the problem of reclaiming tax receipts for contributions when they have been issued for what turns out to be an amount in excess of the limits permitted by the Act. C.F.O.'s should urge contributors to file these receipts away safely because the new Act now stipulates that either the receipt or the amount involved must be remitted to the Commission. In other words, the receipt must be reclaimed or your constituency treasury will lose the amount involved.

Another new requirement: when the C.F.O. for a party, constituency association, candidate or leadership contestant, vacates the office, for whatever reason, he or she, must file a return (section 45) within 45 days with the Commission for the unreported period of his or her tenure. If, for whatever reason, the C.F.O. does not file such a financial return, then the party, constituency association, candidate or leadership contestant for whom the C.F.O. had acted is obligated to file the return within 60 days following the C.F.O. ceasing to hold office.

This simply assures that the new C.F.O. will have an audited record of the financial situation when he or she takes over.

Guidelines--They are on the Way!

Now it's your turn: We've been bugging you about deadlines and gettings things

done in time, now you've reason to bug us. Old-timers in the C.F.O.'s job will know that the Commission provides guidelines for the procedures to be followed. You have already received a copy of the Act, and of the pamphlets which spell out its contents in layman's language, but the guidelines are the definitive (or legal) statement of the rules to be followed.

Why the delay in getting them to you? The Election Finances Act, 1986, was passed last July but it soon became clear to the Commission that there were amendments needed to correct or clarify certain sections. In September a number of proposed amendments were submitted to Queen's Park. They were considered by an Ad Hoc Legislative Committee with representation of all parties in the Legislature. An amending Act was prepared but was not introduced in the Legislature until sittings resumed on January 12. Meanwhile, draft guidelines have been prepared and circulated among all the parties to make certain that they are acceptable. That draft will be revised to incorporate the new amendments and with approval by the Commission at its meeting on January 28, will be rushed to the printer.

In other words you should have the guidelines by the latter part of February. They will be in a loose-leaf binder so that pages can be replaced or added as circumstances require.

Plans for Province-Wide Seminars

The Commission is working on plans for 20 or more regional seminars to be held across the province, likely in the period between mid-March and the end of April. These seminars will be attended by Commission Staff in a position to respond to any outstanding problems that you are facing, but more particularly, to discuss sections of the new Act which deal with election campaigns. Now that limits on campaign expenditures have been imposed (as has been the case federally since 1975), and any outstanding debt from the campaign must be picked up by the riding associations, there are important details of the Act to be noted and fully understood.

On January 14, Commission staff met with representatives of the registered parties and outlined this outreach program. Party organizers will be working with riding association officers to make certain that there is a full attendance. The invitation will be open to C.F.O.'s, riding presidents, auditors, candidates and any other riding officer who might be involved in the financial aspects of the campaign. Once these plans have been firmed up, we shall be in touch with Riding Presidents and C.F.O.'s.

Commission Staff Reorganization and Expansion

The October issue of this newsletter contained an insert setting out the Organization Chart for the Commission. While the staff will continue to operate very much as a unit, pitching in to help each other when the load requires, there has been a basic division into a Registration and Communication Division headed by Bob Dobson and a Financial Compliance Division, headed by Gordon Kushner. All of the positions have now been filled so that the staff for the first time since the Commission was established in 1975 has expanded - from 9 to 16 persons.

Two things are of note in this connection. Last Fall, the Legislature unanimously passed the French Language Services Act requiring all ministries and government agencies to develop a capacity for providing French language services by the 1990's. Fortuitously the expansion of our staff provided an opportunity to hire bilingual staff so that these requirements can be met. For example, our new Receptionist/Clerk, Louise Pequenez, is fluent in French and English, so that a call to the Commission can be received in either official languages. Further, our new Communications Officer, Jean Ouellet is a francophone who comes to us from 13 1/2 years with Air Canada; and George Fischer the Compliance Officer and Stella Mikosz, a clerical assistant, are bilingual. In addition Gordon Kushner, our Director of Financial Compliance, and Eileen DeCalderson, a clerk assistant in his division, have a working knowledge of French which they are enhancing in immersion classes. Now, rather than later in the 1990's, the Commission has fulfilled the requirements of the French Language Services Act.

A second important point; hitherto, if you had to contact the Commission with regard to any difficulty you were encountering, it was either the Executive Director, Don Joynt, Bob Dobson and Ed Allen, his assistant or Daphne Check for either registration or financial compliance matters. Now there are others who will be in touch with you, or whom you can contact:

Registration & Communication

Bob Dobson, Director

Ed Allen, Registrar

Jean Ouellet, Communications
Officer

Financial Compliance

Gordon Kushner, Director

Daphne Check, Statement
Approval Officer

George Fischer, Compliance
Officer

We are staffed to meet your needs more fully. They are ready and anxious to serve you.

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Election Finance Reporter

Commission on Election Finances
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Volume 4 - No. 1

January 1987

Last year was rather hectic: new election finances legislation, redistribution of electoral boundaries, deregistration of the old constituency associations, the filing of financial returns for the period of January 1 to July 11 and the setting up of new riding associations after a division of assets and liabilities from the old ones. It was a massive shakedown, involving extra work. It was an exacting job, well done, for which hundreds of volunteers and party officials are to be congratulated.

However, new rules always have their booby-traps. It is well to be aware of them so that difficulties can be reduced, hopefully even eliminated. Here are a few.

An Old Rule but with a New Wrinkle

The first is not really a new rule, but there is an important change in its application. As you know, the Election Finances Act fixes deadlines when certain filings must be made with the Commission, such as May 31 for the annual financial return covering the previous year by constituency associations and parties. Although there is a full five months for filing this financial return along with the auditor's report, every year there have been approximately 15% of the constituency associations which have failed to meet the deadline.

Quite frankly, there is no valid excuse for this, other than failure to get at the job in time. The Election Finances Commission has no statutory authority to extend the deadline and failure to meet it constitutes a contravention of the Act, subject to a penalty of up to \$1,000 fine (section 48).

The Commission is inclined henceforth to seek imposition of the penalty for late filing. For C.F.O.'s, forewarned is forearmed!

What does this entail? Simply this: now that you have your bank statements in hand for contributions and expenditures until the end of 1986, gather all the documentation for the period from July 12 to December 31 (the earlier period in the year was covered by the financial statement filed upon deregistration of the old constituency association).

This documentation should include the records for the trust account used during the transition from the old to the new riding association. Also, that part of the financial return dealing with assets and liabilities should reflect the value of the assets and liabilities assumed from the former constituency association(s), whether receivable or already received. This is important in order that the funds of the former registered association(s) have been accounted for.

Get all this information to your auditor by March 1,

or very soon thereafter. Remember: as tax filing time looms, March and April are the busiest time of the year for accountants, so make certain that all the records are in your auditor's hands for clearance long before May 31.

In this connection a couple of suggestions for C.F.O.'s: If you are uncertain about anything, contact the Commission staff now. We are here to help you and it's far better to avoid a mistake rather than having to correct it after the filing. Secondly, when you deliver all the documentation to your auditor, accompany it with a letter with a copy to the Commission. We will know then that you have done your job, and if we have any queries, we will contact your auditor directly rather than bother you.

New Requirements --Be Alerted!

A major bugbear in the past has been the problem of reclaiming tax receipts for contributions when they have been issued for what turns out to be an amount in excess of the limits permitted by the Act. C.F.O.'s should urge contributors to file these receipts away safely because the new Act now stipulates that either the receipt or the amount involved must be remitted to the Commission. In other words, the receipt must be reclaimed or your constituency treasury will lose the amount involved.

Another new requirement: when the C.F.O. for a party, constituency association, candidate or leadership contestant, vacates the office, for whatever reason, he or she, must file a return (section 45) within 45 days with the Commission for the unreported period of his or her tenure. If, for whatever reason, the C.F.O. does not file such a financial return, then the party, constituency association, candidate or leadership contestant for whom the C.F.O. had acted is obligated to file the return within 60 days following the C.F.O. ceasing to hold office.

This simply assures that the new C.F.O. will have an audited record of the financial situation when he or she takes over.

Guidelines--They are on the Way!

Now it's your turn: We've been bugging you about deadlines and gettings things

done in time, now you've reason to bug us. Old-timers in the C.F.O.'s job will know that the Commission provides guidelines for the procedures to be followed. You have already received a copy of the Act, and of the pamphlets which spell out its contents in layman's language, but the guidelines are the definitive (or legal) statement of the rules to be followed.

Why the delay in getting them to you? The Election Finances Act, 1986, was passed last July but it soon became clear to the Commission that there were amendments needed to correct or clarify certain sections. In September a number of proposed amendments were submitted to Queen's Park. They were considered by an Ad Hoc Legislative Committee with representation of all parties in the Legislature. An amending Act was prepared but was not introduced in the Legislature until sittings resumed on January 12. Meanwhile, draft guidelines have been prepared and circulated among all the parties to make certain that they are acceptable. That draft will be revised to incorporate the new amendments and with approval by the Commission at its meeting on January 28, will be rushed to the printer.

In other words you should have the guidelines by the latter part of February. They will be in a loose-leaf binder so that pages can be replaced or added as circumstances require.

Plans for Province-Wide Seminars

The Commission is working on plans for 20 or more regional seminars to be held across the province, likely in the period between mid-March and the end of April. These seminars will be attended by Commission Staff in a position to respond to any outstanding problems that you are facing, but more particularly, to discuss sections of the new Act which deal with election campaigns. Now that limits on campaign expenditures have been imposed (as has been the case federally since 1975), and any outstanding debt from the campaign must be picked up by the riding associations, there are important details of the Act to be noted and fully understood.

On January 14, Commission staff met with representatives of the registered parties and outlined this outreach program. Party organizers will be working with riding association officers to make certain that there is a full attendance. The invitation will be open to C.F.O.'s, riding presidents, auditors, candidates and any other riding officer who might be involved in the financial aspects of the campaign. Once these plans have been firmed up, we shall be in touch with Riding Presidents and C.F.O.'s.

Commission Staff Reorganization and Expansion

The October issue of this newsletter contained an insert setting out the Organization Chart for the Commission. While the staff will continue to operate very much as a unit, pitching in to help each other when the load requires, there has been a basic division into a Registration and Communication Division headed by Bob Dobson and a Financial Compliance Division, headed by Gordon Kushner. All of the positions have now been filled so that the staff for the first time since the Commission was established in 1975 has expanded - from 9 to 16 persons.

Two things are of note in this connection. Last Fall, the Legislature unanimously passed the French Language Services Act requiring all ministries and government agencies to develop a capacity for providing French language services by the 1990's. Fortuitously, the expansion of our staff provided an opportunity to hire bilingual staff so that these requirements can be met. For example, our new Receptionist/Clerk, Louise Pequenez, is fluent in French and English, so that a call to the Commission can be received in either official languages. Further, our new Communications Officer, Jean Ouellet is a francophone who comes to us from 13 1/2 years with Air Canada; and George Fischer the Compliance Officer and Stella Mikosz, a clerical assistant, are bilingual. In addition Gordon Kushner, our Director of Financial Compliance, and Eileen DeCalderon, a clerk assistant in his division, have a working knowledge of French which they are enhancing in immersion classes. Now, rather than later in the 1990's, the Commission has fulfilled the requirements of the French Language Services Act.

A second important point; hitherto, if you had to contact the Commission with regard to any difficulty you were encountering, it was either the Executive Director, Don Joynt, Bob Dobson and Ed Allen, his assistant or Daphne Check for either registration or financial compliance matters. Now there are others who will be in touch with you, or whom you can contact:

Registration & Communication

Bob Dobson, Director

Ed Allen, Registrar

Jean Ouellet, Communications
Officer

Financial Compliance

Gordon Kushner, Director

Daphne Check, Statement
Approval Officer

George Fischer, Compliance
Officer

We are staffed to meet your needs more fully. They are ready and anxious to serve you.



Election Finance Reporter



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Vol. 4 - No. 2

April 1987

The last weekend of March began what has proven to be a most satisfying experience for the staff of the Commission. Broken down into teams, we have been meeting with local officials in 23 regional workshops to review the provisions of the new Election Finances Act. The sessions have run four to five hours with a luncheon break and invariably they have been useful exchanges. The overall registration has been over 600 -- almost a 50% increase on the attendance at the 1984 workshops. This opportunity to establish a more personal relationship has been most enjoyable. Now many of you will be not just names on a financial return or voices over the telephone, but somebody whom we have met.

One of the fascinating things about working with political financing is that there is a never-ending succession of new problems, unique situations, gray areas in which it is not readily apparent what the correct interpretation of the legislation should be. The staff of the Commission don't pretend to know all the answers all the time. At the workshops sometimes we have given our immediate judgment and indicated that we would confirm it after consultation at a staff meeting. On occasion, the question has to be taken to the Commission (at its next meeting on April 29) for the definitive answer.

Most of the workshops concluded with a showing of the video which was warmly received as an excellent summary of the new Act. A copy is being sent to every registered constituency association's C.F.O. In fact, the Chairman reports that at the first workshop with Mississauga ridings, the whole event proved so inspiring that one of those in attendance burst into poetry. The Chairman was wearing his blue and red tie, which provoked this verse from Norman Emmott, secretary of the Brampton South Liberal Riding Association.

I know your neutral, so it's said
In everything you do --
I see your tie's half Liberal red
While half is Tory blue
But with your double Donald name
which sounds like pibroch's cry
Why don't you flaunt your highland fame
And wear a tartan tie?

And you thought election financing was dull!

It's a Busy Time

The last couple of months have been a busy period around the Commission -- for reasons quite apart from preparations for the regional workshops. If you had dropped into the office -- which I hope you will do anytime you're in downtown Toronto -- you might have concluded that you were in the middle of a construction site. In order to accommodate our new staff more efficiently, repartitioning was underway - with piles of debris to be disposed of and new material to be installed. Like the familiar Spring house-cleaning, it was an opportunity to clear out a great deal of old paper. As part of that process, we have made arrangements with the Provincial Archivist to remove the records for the years 1975-84; they are now in safe-keeping for posterity.

On another occasion, if you had visited the office you might have thought that you had wandered into Postal Station A. There were over 700 "bubble" envelopes stacked on the floor, prepared for sending to C.F.O.s with the Guidelines which had finally been finished, approved by the Commission and printed for new binders. Hopefully, all C.F.O.s and auditor now have their copy.

Further, the 1986 annual report is now completed and off to the printer. Computers are arriving, so that in the future the detail of financial returns can be more efficiently handled and cleared for Commission approval.

Senior staff have been meeting with officials of the Ministry of Municipal Affairs to discuss administrative details of the new legislation which will be introduced in the Spring session for the handling of municipal council and school board elections, the financial details of which, it is proposed, will fall within the jurisdiction of the Commission.

The six new members to our staff are now rapidly becoming experts on the legislation with their "baptism of fire" in the workshops. When an election comes we will be in shipshape to help you with any problem that may arise. Our constant plea is: If you have a problem, check with us first, before it is fed into the bureaucracy and becomes more difficult to cope with.

We've Gone Hollywood

Perhaps the most interesting -- and at times the most nerve-wracking -- event of the past few weeks has been the production of the 20-minute video. We are deeply indebted to Bill Somerville and the staff of the Broadcast Service of the Legislature who shepherded us all, as amateurs, through the role of being an "actor" for the mini-movie. You may all have seen the good work of this new service in the broadcasts now available from the Legislature. As part of the Legislative family, we have benefitted too.

In fact, our workshop poet was so inspired in the Mississauga meeting that he burst into verse a second time:

You've discussed all cases
To be handled near and far--
Now I'm on a first-hand basis
With a rising TV star.

Since every riding has a copy of this video, may we suggest that it be played at one of your Executive meetings - even better, at a membership meeting. It's an interesting presentation of an otherwise "dry" piece of legislation and will help to build the team that must work closely with the candidate's C.F.O. in the election.

Tax Credit Receipts

Receipts are the first item on a filed return to be reviewed by Commission Staff. Receipts not properly prepared or not issued for every contribution accepted cause delays in the review process. A chain reaction starts when receipts are not completed in accordance with the directions outlined in Guideline G22. The return is set aside for special attention such as telephone calls, letters and reinitiation of the review process. Until the return is submitted for approval, audit subsidy payments and, in the case of candidate's returns, expense subsidy payments are delayed.

Receipts are allocated to C.F.O.s in lots of 200 along with an information sheet. C.F.O.s should carefully follow these directions. Guideline G22 provides more detailed information. We ask that C.F.O.s reread these directions in order to avoid some of the more common problems we have noted in our review process.

Please try to ensure that all receipts are properly completed as follows:

- the boxes for date received and date issued should both be completed
- the "\$" sign should appear immediately to the left of the first digit in the amount received box
- an "X" should appear in one of three boxes "Individual", "Corporation", or "Trade Union" depending on the source of the contribution.
- an "X" should appear in either the "Cash" or "Goods and Services" box depending on the form of the contribution
- the contributor's complete name and address should appear on the receipt. If the "Corporation" box has been marked, you should ensure that the contributor is indeed a corporation and that the name includes some reference to a corporation
- the parties, association's or candidate's campaign name, as appropriate, should appear on the receipt
- the C.F.O. should sign each receipt
- when a contribution has been refunded, or if a receipt has been spoiled, both the contributor's copy and the Commission's copy of the receipt must be returned to the Commission
- receipts should be typed or printed legibly

Campaign Expense Limitations

One of the major concerns arising from the new requirements of the Election Finances Act, 1986, is the limit on campaign expenditures. While this is new in the provincial legislation, it had been in effect federally since 1975, and has proven to be manageable.

Furthermore, the provincial legislation provides an important exemption which will make it easier to operate within the expenditure limit. Federally, the wages of all full time campaign staff made available from unions, law offices, insurance companies, advertising agencies, etc. have to be recorded as an expense, even though they are paid by their regular employer. Provincially, if the seconded staff is not paid an extra wage by their regular employer, they are regarded as having volunteered their services, and do not have to be included as a campaign expense.

But what is your campaign limit? The Act stipulates that it will be calculated on the basis of a formula related to the number of electors: \$2 for the first 15,000; \$1 for the next 10,000; and 25 cents for each elector beyond the first 25,000. All of which raise the key question: how many voters will there be in the new electoral districts following redistribution? Until enumeration is held, the only figures available are those used by the Electoral Boundaries Commission. Enclosed is a copy of those figures, along with the candidate's expense limit and the maximum public subsidy for each of the ridings.

These figures will provide you with the initial estimate of your campaign expenditure limit. As Commission staff has urged at all of the workshops, set a campaign budget a few thousand dollars below the limit so as to provide yourself with a "safety cushion" to cope with "unexpected" bills.

Once the enumeration has been completed early in the campaign, you will have a more definite figure from the preliminary voters list which is likely to be higher, because the calculations of the Electoral Boundaries Commission were based on 1981 census figures which are now six years out-of-date. Furthermore, the final calculation for the expenditure limit will be based on the revised voters list, available from the local Returning Officer, including all the voters added during the revision. In short, there are two or three "safety cushions" built into the process.

Consolidated Election Finances Act

Enclosed is also a copy of the consolidated Act, in both official languages. This includes the original Election Finances Act, 1986, as well as the amendments which were passed last February.

Annual Financial Returns

If C.F.O.s have not completed their 1986 annual financial return (which this year will cover the period from July 12 to December 31), please get it to your auditor without any further delay. Remember: that audited financial returns must be in to the Commission by May 31.

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Election Finance Reporter



Commission on Election Finances
Commission sur le financement des élections
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July 1987

Throughout the month of April, the Commission staff met with nearly 1,000 local party officials--at 23 regional seminars held all the way from Kenora and Thunder Bay to Windsor and Ottawa; at two workshops during the annual meeting of the Liberal Party; at a special meeting in Toronto of the Conservative field organizers; and at the NDP Provincial Council meeting. Many questions were raised regarding some aspects of election financing. Where necessary, clarification has been made by the Commission at its May 12 meeting. Here-with the most important questions and their answers, for your guidance.
(Where Guidelines are referred to in answers, you will have to refer to the copy sent to your C.F.O.)

1. Can fund-raising events be advertised between writ and polling day?
2. Can persons seeking nomination as a party-sponsored candidate advertise in the period between writ and polling day?

The answer to questions 1 and 2 is yes and a) the cost is exempt as a campaign expense and b) the placing of the advertisement is not restricted by the 21-day limitation on campaign period advertising, providing that the exempted service or activity constitutes the dominant feature of such advertisement or announcement. A picture of the candidate or the party logo can be used, but the advertisement or announcement must not contain any electioneering slogan, motto or other wording promoting the candidate or registered party, or opposing another candidate or registered party. Guideline G 23, para .05 is being amended to reflect this decision of the Commission.

3. Can the services of temporary part-time or full-time staff be volunteered by a person, partnership, corporation or trade union to work in a candidate's campaign?

Yes, and they are exempt as a campaign expense as spelled out in Guideline G24, para 01(g).

4. If a purchase of signs is made for a campaign period, and the entire quantity is recovered after polling day, does this mean that no campaign expense has been incurred for the signs in question?

Yes. It is highly unlikely that all signs will be recovered, but for those which are recovered, and are reusable each is to be valued at the same price at which they were acquired in the opening inventory.

5. Must lawn signs include the name of the person authorizing same?

No, for this reason. Such items as lawn signs, lapel buttons, T shirts, bumper stickers etc., are clearly identifiable as to candidate and/or party, and therefore, at its meeting on June 10, the Commission decided that they would be excluded from the requirement of section 23(5) of the Election Finances Act that the name of the person corporation or trade union authorizing them be included. The Guideline will be amended accordingly.

6. Is a constituency association of a federal party eligible as a contributor to a provincial campaign?

No. The Commission has determined that Guideline G28 be amended to preclude any federal constituency association, or sub-organization thereof, from contributing to a provincial campaign. This is in keeping with the objective of the Act forbidding any transfer of federal funds to local provincial campaigns.

7. Can a candidate normally resident in a Northern electoral district establish a temporary residence in an outlying community, and the expense incurred be exempt?

No. The Commission is of the view that these extra expenses are not exempt because the \$5000 addition to the campaign expense limitation is designed to cover them.

8. Can contributions be solicited by mail during a campaign period?

Yes. If done by a constituency association, they are not deemed to be a campaign expense, but if done by the candidate they are a campaign expense.

9. Must placard advertising on buses be removed by midnight of the Tuesday before polling day?

Yes. It is the opinion of the Commission that outdoor advertising, such as signs on buses and bus shelters, are not commercial billboards, and therefore must be removed by Tuesday midnight prior to polling day.

10. Can temporary staff hired by a party specifically for work during an election be excluded from campaign expenses subject to the limitation?

No. They must be included as a campaign expense either by the party or by the local candidate.

11. If a person takes an "unpaid" leave of absence from his or her employer and the person receives payment from the candidate, association or party, by agreement with the employer, in an amount not exceeding the person's normal salary or wage, is this a campaign expense?

Yes. -- see Commission Guideline G4, para .14

12. Can special interest groups advertise in support of, or in opposition to, a specific candidate or party?

Yes, and it does not have to be reported as a campaign expense provided the advertising was not done with the knowledge and consent of the chief financial officer of the party or candidate.

13. Can the candidate's C.F.O. refuse to pay for material or services related to the campaign which s/he did not authorize?

Each campaign will have a different way of operating, but every effort should be made to avoid unauthorized expenditures. The Commission video should be shown to everyone involved in the campaign to get the message out that only the candidate's C.F.O. can authorize expenditures. It would be advisable to post a notice prominently in the campaign headquarters pointing out the importance of getting the C.F.O.'s authorization for every campaign expenditure. Furthermore, it would be advisable that the riding association cease any campaign expenditures once the writ is issued. (However, unauthorized material, if used in the campaign would become a campaign expense and it would be legally and morally difficult to refuse payment. Moreover, the supplier is empowered under the Act (section 39(8)) to sue for payment).

14. When salaries are paid to campaign workers or the candidate's baby sitter, do appropriate deductions have to be made and does the income have to be reported on a T4 slip?
-

This matter is not addressed in the Election Finances Act. The C.F.O. should check with the candidate's auditor, or the Sources Deductions Section of Revenue Canada Taxation, to determine if a contract of employment exists and if the rate of pay is high enough to require deductions being made.

15. Can the C.F.O. be paid? Or as an alternative, can a receipt be issued at the end of the year or the campaign, for the value of his/her services up to the contribution limit of \$750 a year?
-

Yes, and provided the C.F.O.'s responsibilities are limited to those spelled out in section 34(4) of the Act, they are deemed to be accounting, defined as "the maintenance of transaction records," and are therefore exempt from the campaign expense limitation. A receipt for tax credit purposes must not be issued gratuitously to the C.F.O. or any other campaign worker for services rendered without prior written agreement.

16. Is there a special restriction precluding federal members of parliament from making a contribution to a provincial campaign?
-

Yes, if the MP represents a seat outside Ontario. This restriction does not apply to the Member's spouse if the spouse is resident in Ontario.

17. What is the situation when lawn stakes are borrowed from the federal branch of the constituency association or a municipal candidate?
-

The fair market value of the lawn stakes should be established and the total value of the stakes provided on loan are to be recorded as a campaign expense. Upon taking inventory of the stakes recovered after polling day and the valuation being calculated at the same fair market value, the total value is deducted from the campaign expense reported.

If you return the quantity of stakes borrowed in the first instance, no campaign expense is involved. To the extent the quantity is less, the federal association or municipal candidate must be paid for the value of the lost stakes.

18. If the candidate's campaign office has been leased, and the telephone installed, what portion of this prewrit expenditure is a campaign expense?
-

Only the installation costs should be considered a prepaid campaign expense. From issue of the writ through to polling day, rent and telephone operating costs become campaign expense.

19. How should the equipment and furniture needed for a campaign be accounted for?
-

If it is owned and made available by the riding association, no accounting is required. If it is loaned by an individual or a commercial enterprise, and has rental value of less than \$100, the lender may consider it not to be a contribution, and it is therefore not a campaign expense. But if it has a rental value exceeding \$100, that value must be paid for, or be receipted as a contribution, and be included as a campaign expense.

Election Finances Act, 1986--As Amended

Annual Report, 1986 - Commission on Election Finances

Enclosed are copies of both of these documents. The consolidated statute is the Election Finances Act, 1986 as amended in February 1987. The text is in both English and French. The distinctive colour will help to identify it as the most current document. In order to avoid confusion, we would urge that you destroy all copies of the earlier version of the Act. The Annual Report for 1986 provides a record of one of the busiest years of the Commission.

Family Coalition Party of Ontario

Pursuant to section 10(2)(b) of the Act, a petition was received early in May totalling 11,200 names of eligible Ontario voters who had attested to the registration of the proposed party. The petition verification has been completed and at its meeting of June 1 1987, the Commission approved of the registration of the eighth provincial party in Ontario. The other seven are: Liberal, Progressive Conservative, New Democratic, Communist, Freedom Green and Libertarian.

Application for Candidate Registration

Over 100 candidates have already filed an Application for Registration of a Candidate with the Commission. If your riding association has held a nomination meeting, may we urge that a completed application form--duly attested by the Association's Chief Financial Officer--be filed with us.

A candidate's campaign becomes operative only when two things have happened: first, registration with the Commission; and second, issuance of the writ calling the election. If advance registration is made now, the candidate's campaign--raising of money, etc.--can begin the moment the election is called.

The Commission dealt with a number of personnel matters at its meeting of May 12. After 12 years of service as Executive Director since its establishment in 1975, Don Joynt has given notice of his retirement, effective August 31, 1987. He intends to enter private accounting practice specializing in the auditing of political financial activities. Robert Dobson, who has also been with the Commission since the outset, was appointed Executive Director effective September 1 to March 31, 1988, at which time he plans to retire. Gordon Kushner was appointed Executive Director Designate, effective September 1 to March 31, subject to confirmation in the position as of April 1, 1988. Now that the Commission work has been computerized, and is operating from a common data base, it was decided that the division of its operations into two sections (Registration and Communication and Financial Compliance) was undesirable, and therefore the positions of Director for each of these sections previously held by Bob Dobson and Gordon Kushner, would be abolished. All other Commission staff will continue in their present positions.

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Commission on Election Finances
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October 1987

During the election campaign, the Commission received an avalanche of telephone calls and letters with regard to perceived problems. We welcomed these inquiries, as we would much sooner deal with these difficulties before they arise rather than later when they complicate the life of everybody involved. However, despite the new legislation and the redistribution of boundaries, the net result of this campaign is that there were no more difficulties this time -- perhaps even fewer -- than experienced in previous elections. It appears that all the preparatory work in the Commission's regional seminars and the political party gatherings of one kind or another have served its purpose well. The volunteers -- many of them new to the scene -- deserve hearty congratulations. These volunteers are the ground forces upon which our political system depends; and once again, they did a magnificent job.

For those involved in the political financing aspect of the last election, these days represent a lull between two storms. Behind us is the hectic period of the election campaign itself; ahead lie two dates of importance:

- December 10, 1987 (three months following polling day) will signal the end of the campaign period during which funds can still be raised towards the resolving of the campaign expenditures.
- March 10, 1988 (six months following polling day) will mark the filing deadline of the campaign period audited financial statements for both the candidates' and associations' CFO's.

However, while this period of time may be perceived as a lull between two storms, it is important for all the CFO's to maintain their records up to date, issue receipts for the contributions accepted, and have all the necessary documentation ready for your auditor's review. If at this time, you are certain that there are not going to be any more contributions before the end of the campaign period, the candidate's CFO may proceed with the finalization and filing of the audited campaign period return. The Commission will gladly review your statement, but bear in mind that

approval will not take place until the constituency association's CFO statement is filed, reviewed and submitted for approval following the deadline of December 10.

Very shortly, the Commission will be providing all CFO's with the necessary electoral statistics as certified by the Chief Election Officer, as well as the required reporting forms for the audited financial statements. These statistics are not only important in calculating the statutory limit on campaign expenditures, but also in determining the eligibility (at least 15% of the popular vote) and size of the reimbursement of certain campaign expenses of the candidates.

Campaign Statistics

Eight registered parties, participated in the election. The three major parties -- Liberal, New Democratic and Progressive Conservative -- have 130 registered riding associations and fielded a full slate of 130 candidates. The Family Coalition Party had 36 candidates; the Libertarian Party 25; the Communist and Freedom Parties 9 each; and the Green Party 7. There were 19 Independent candidates, for a total of 475 riding associations and 495 candidates. (In addition, there were three candidates who registered but did not get their name on the ballot because they withdrew or failed to be nominated in time.)

In aggregate, there are 978 party, riding associations and candidate CFO's and their auditors plus the riding presidents, with whom the Commission is often in communication. In other words, there are approximately 2000 persons on the election finances team with whom the Commission has a regular working relationship.

Election Finances Workshop

Ontario's position is unique in the election finances field in that it is the only Canadian jurisdiction which has a separate Commission to monitor contributions, expenditures and subsidies. In other provinces/territories, this aspect of the financial area of political activities is handled by the staff of the Chief Election Officer.

But there is a growing concern over what is perceived as exorbitant expenditures. That concern was reflected in a special session of the annual conference of Canadian Election Officials held in Ottawa last July, out of which emerged the conviction that the subject required more intensive review. It was decided to hold a workshop to which those engaged in the actual supervision work might share their experience and improve upon methods.

Because of Ontario's unique position, the Commission offered to host this workshop which will be held in Toronto in late January. Preparations are now underway in cooperation with Elections Canada.

COGEL Conference

On September 27 - 30, the 9th annual conference of the Council on Governmental Ethics Laws was held for the first time in Canada -- in the scenic surroundings and warm hospitality of Quebec City. The attractiveness of the conference venue drew an attendance of over 200, the largest ever in the history of the organization.

COGEL is North American in scope, involving all the American and Canadian jurisdictions, federal as well as provincial/state, with the exception of British Columbia and Prince Edward Island. As its name indicates, a major concern is the establishment of ethical standards for the election and conduct in office of public representatives. In the United States, this concern falls to the Ethics Commissions, at the federal and state levels. In Canada there is growing concern over "conflict of interest" but it is handled through legislation or other government regulations, monitored by an official within the government bureaucracy or appointed specifically for the purpose. This all falls outside the responsibilities of election officials.

However, COGEL's jurisdiction covers the responsibilities of election officials and therefore the work of Chief Election Officers in Canada. Increasingly, these responsibilities are being extended to encompass regulations with regard to the financing of elections -- a field in which Canada as a whole and particularly Ontario and Quebec have more comprehensive regulations.

U.S. Trends

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the Bagman

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Vol. 4 - No. 4

October 1987

During the election campaign, the Commission received an avalanche of telephone calls and letters with regard to perceived problems. We welcomed these inquiries, as we would much sooner deal with these difficulties before they arise rather than later when they complicate the life of everybody involved. However, despite the new legislation and the redistribution of boundaries, the net result of this campaign is that there were no more difficulties this time -- perhaps even fewer -- than experienced in previous elections. It appears that all the preparatory work in the Commission's regional seminars and the political party gatherings of one kind or another have served its purpose well. The volunteers -- many of them new to the scene -- deserve hearty congratulations. These volunteers are the ground forces upon which our political system depends; and once again, they did a magnificent job.

For those involved in the political financing aspect of the last election, these days represent a lull between two storms. Behind us is the hectic period of the election campaign itself; ahead lie two dates of importance:

- December 10, 1987 (three months following polling day) will signal the end of the campaign period during which funds can still be raised towards the resolving of the campaign expenditures.
- March 10, 1988 (six months following polling day) will mark the filing deadline of the campaign period audited financial statements for both the candidates' and associations' CFO's.

However, while this period of time may be perceived as a lull between two storms, it is important for all the CFO's to maintain their records up to date, issue receipts for the contributions accepted, and have all the necessary documentation ready for your auditor's review. If at this time, you are certain that there are not going to be any more contributions before the end of the campaign period, the candidate's CFO may proceed with the finalization and filing of the audited campaign period return. The Commission will gladly review your statement, but bear in mind that

approval will not take place until the constituency association's CFO statement is filed, reviewed and submitted for approval following the deadline of December 10.

Very shortly, the Commission will be providing all CFO's with the necessary electoral statistics as certified by the Chief Election Officer, as well as the required reporting forms for the audited financial statements. These statistics are not only important in calculating the statutory limit on campaign expenditures, but also in determining the eligibility (at least 15% of the popular vote) and size of the reimbursement of certain campaign expenses of the candidates.

Campaign Statistics

Eight registered parties, participated in the election. The three major parties -- Liberal, New Democratic and Progressive Conservative -- have 130 registered riding associations and fielded a full slate of 130 candidates. The Family Coalition Party had 36 candidates; the Libertarian Party 25; the Communist and Freedom Parties 9 each; and the Green Party 7. There were 19 Independent candidates, for a total of 475 riding associations and 495 candidates. (In addition, there were three candidates who registered but did not get their name on the ballot because they withdrew or failed to be nominated in time.)

In aggregate, there are 978 party, riding associations and candidate CFO's and their auditors plus the riding presidents, with whom the Commission is often in communication. In other words, there are approximately 2000 persons on the election finances team with whom the Commission has a regular working relationship.

Election Finances Workshop

Ontario's position is unique in the election finances field in that it is the only Canadian jurisdiction which has a separate Commission to monitor contributions, expenditures and subsidies. In other provinces/territories, this aspect of the financial area of political activities is handled by the staff of the Chief Election Officer.

But there is a growing concern over what is perceived as exorbitant expenditures. That concern was reflected in a special session of the annual conference of Canadian Election Officials held in Ottawa last July, out of which emerged the conviction that the subject required more intensive review. It was decided to hold a workshop to which those engaged in the actual supervision work might share their experience and improve upon methods.

Because of Ontario's unique position, the Commission offered to host this workshop which will be held in Toronto in late January. Preparations are now underway in cooperation with Elections Canada.

COGEL Conference

On September 27 - 30, the 9th annual conference of the Council on Governmental Ethics Laws was held for the first time in Canada -- in the scenic surroundings and warm hospitality of Quebec City. The attractiveness of the conference venue drew an attendance of over 200, the largest ever in the history of the organization.

COGEL is North American in scope, involving all the American and Canadian jurisdictions, federal as well as provincial/state, with the exception of British Columbia and Prince Edward Island. As its name indicates, a major concern is the establishment of ethical standards for the election and conduct in office of public representatives. In the United States, this concern falls to the Ethics Commissions, at the federal and state levels. In Canada there is growing concern over "conflict of interest" but it is handled through legislation or other government regulations, monitored by an official within the government bureaucracy or appointed specifically for the purpose. This all falls outside the responsibilities of election officials.

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Vol. 5 - No. 1

- E42

January 1988

At the commission, the New Year opened with an historic situation -- absolutely unprecedented. Every financial return which was due -- from parties, constituency associations and candidates -- had been filed, and reviewed, and was ready for approval of the commission. That has never happened since the establishment of the Commission in 1975. The achievement is the result of the diligence of hundreds, indeed, thousands, of local officials. We congratulate you, and express our deep appreciation. The decks are now cleared for the heavy load of returns due in the next few weeks.

CR1 -- THE CANDIDATE'S CAMPAIGN RETURN

All candidates must file a campaign return for the period July 31, 1987 (when the election was called) to December 10, 1987 (when the campaign period ended, 60 days after voting day). This return is due on, or before, March 10, 1988 (six months after voting day).

CR3 -- THE ASSOCIATION'S CAMPAIGN RETURN

All associations must file a campaign return for the campaign period, July 31 to December 10, 1987, inclusive. This return is also due, on or before, March 10, 1988. Since the limit on campaign expenditures relates to the combined campaign expenditures of both the candidate and his/her constituency association, both of these returns have to be received, and approved by the Commission, before the candidate's expense reimbursement cheques can be issued.

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All Associations must also file an annual return which, for 1987, will cover the period from January 1 to July 30 and from December 11 to December 31 (before and after the campaign period). This return is due on, or before, May 31, 1988.

Admittedly, this represents a heavy work load, but we have a suggestion how it can be reduced, and cleared away quickly so the rest of 1988 will be totally freed of returns, (see next page).

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Your banking records for 1987 are now available. Since your auditor is going to be very busy with income tax returns throughout March and April, and since the campaign returns of both the candidate and association must be filed by March 10, may we suggest that you get those records to your auditor now, without delay, so that these returns will reach the Commission by March 10.

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Here are some interesting statistics. During the next eight months, Commission staff will be reviewing:

8	party campaign period returns
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We are now in a position to handle this flow of returns much more quickly, and efficiently, because of the computerization of the office -- which is now complete. Prior to 1987, the Commission was using outside computer service to assist in compliance work only. This was slower, and somewhat out of our control. For some time, computerization of all the Commission's operations had been under discussion, and with the appointment of Gordon Kushner, in October, 1986, as director of Financial Compliance, the task of complete computerization was tackled.

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During the Spring and early Summer, staff members became familiar with word processing capability of the system. As well, Jean Ouellet, our Communications Officer, spent many hours (some of them frustrating because of the inevitable software problems) developing our primary data base of party, association and candidate name and addresses information. Many useful extractive reports are now being run daily from this base.

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The relatively quiet period after the election has been used to develop and test these data bases in anticipation of the flood of 1987 financial returns. The automated process will speed up the review and assure a much higher level of accuracy than was hitherto possible.

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For those who may be interested in the technical aspects of our system, the Commission is using a local area network of micro computers with a Compaq 386 as the primary server and hard disc storage. Each staff person has a micro computer hooked into the network and is able to share hard disc storage, printers, software, and access all data bases. We are using WORD PERFECT for word processing and a relatively new, but very exciting data base manager called DATABASE.

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Vol. 5 - No. 2

April 1988

This issue of the Bulletin is being written more in sorrow than in anger, for while there is good news, there is some that is bad.

March 10th, six months after voting day, was the deadline for filing financial returns for campaign expenses. Of the 498 candidates and 475 riding associations, nearly 20%--178, to be precise--failed to meet the deadline. Of these 22 were Liberals; 44 New Democrats; 71 Conservatives; and the rest were from Ontario's five other registered political parties or Independents.

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The Commission has prepared a Leadership Kit which is being circulated to all parties, and will be available to any interested person. It contains, among other things, the reminder that a party must notify the Commission of any proposed "leadership convention"; that all contestants must register with the Commission before accepting any contributions or using any of his or her own money for the purposes of the leadership convention; and that all leadership contestants must appoint a chief financial officer and licensed public accountant as auditor, and file an audited financial statement of income and expenses.

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Ed Allen, the Commission's Registrar, reports that with persistent frequency he inadvertently learns of riding associations which have replaced their Chief Financial Officials, and not informed the Commission, as required by section 34(3) of the Election Finances Act. In order that we can keep our records up to date, and know with whom contact should be made in case of any query we may have of a riding association, party or leadership candidate, please inform us immediately of any change in top officials, such as president, CFO or auditor.

* * *

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the Bagman

Election Finance Reporter

*Commission on Election Finances
Commission sur le financement des élections
Ste. 800, 151 Bloor St. West, Toronto, Ontario M5S 1S4
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Vol. 5 - No. 3

October 1988

THE 13TH ANNUAL REPORT

We recommend that you read this issue of the Bagman in conjunction with the 13th Annual Report of the Commission. Traditionally, the Commission's Annual Report is published earlier but this edition was delayed in order to include an account of the 1987 general election financial returns which were not due in our office until March 10. You will find a summary of the candidates' and associations' income, expenses and subsidies for each electoral district starting on page 49. Furthermore, courtesy of our computer system, pages 66-69 provide some interesting statistical analyses regarding the ten highest fund-raising campaigns, campaign expenditures, overall most expensive campaigns, campaign surpluses, campaign deficits, and highest material inventories both at the beginning and the end of the campaign. Despite the serious concern about having to operate within certain limitations on campaign expenditures, no candidate ex-

ceeded the limit. Moreover, recommendations which were submitted to the speaker of the Assembly last February. You will note that some of them are merely housekeeping, while others are more substantive. It should be emphasized that these are merely recommendations. Whether or not they will be implemented is a decision which rests with the Legislature when it next reviews the legislation.

However, one of the specific areas for which the Commission is obligated to make recommendations following the experience of an election is with regard to changes in the limits on contributions, campaign expenses and the level of

THE ELECTION FINANCES ACT

Section 4(3) of the Election Finances Act, 1986 compels the Commission to make recommendations for amendments to the Act within 60 days of the end of the campaign period of a general election. Found in the 13th Annual Report (pages 24-37) is the first installment of the Commission's

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public funding for candidates and party expenses as well as subsidies for auditor's fees. These were considered, along with other matters, by the Commission at its October 19, 1988 meeting and further recommendations for amendments have been forwarded for consideration.

In view of the fact that candidates appear to have experienced no problem with the limit on campaign expenses -- as a matter of fact, many were substantially below the limit and most associations ended the 1987 calendar year in a surplus position -- the Commission decided that it was too soon to suggest any change, but recommended that the matter be reviewed closer to the anticipated date of the next general election.

On occasion, a registered political party, in a general election or by-election, may not incur campaign expenses, and yet the Act is open to the interpretation that a party may still be entitled to a subsidy. With regard to candidates, the Act states that they must incur campaign expenses in order to receive a subsidy. The Commission has recommended that the Act clearly states that a party must incur expenses in order to qualify for a reimbursement.

One of the persistent problems that the Commission has had to cope with at every election is the acceptance of contributions by a candidate's CPO before registration, which, of course, is in contravention of the Act. In the past the Commission has issued a reprimand in such cases, but the contravention has persisted -- even, on occasion has been repeated by the same campaign organization. In order to curtail this practice, the Commission is recommending that its guidelines be revised so that any contribution received prior to registration be turned over to the Commission.

Another difficulty is that on the relatively rare occasions that constituency associations have been deregistered for failure to file a financial statement, the statement was not filed unless and until they sought reregistration. That may open the door to possible misuses of receipts. Therefore it is recommended that, upon deregistration, a constituency association must file all financial statements up to the date of deregistration within 30 days of being deregistered.

Finally, the Commission recommended that in addition to Parry Sound (which was identified last February), the riding of Timiskaming be added to the list of northern ridings qualifying for a special increased allowance on expenditure limitations and subsidies payable to assist in coping with the greater distances to be covered.

EXCHANGE PROGRAM

Canadian electoral officials are developing a program of seconding personnel for short periods of time to other election offices in order to help with peak loads, and more important, to share experience and procedures. During this year, the Commission has had the pleasure of hosting Laura Di Stefano, from the Ontario Chief Election's Office, and Roy Snider, CA, from the Office of the Provincial Auditor.

For the first time, one of our own staff, Daphne Check spent a nine week stint in Manitoba.

Daphne reports that it was thoroughly enjoyable, and richly rewarding. She even survived the autumn winds at the corner of Portage and Main in Winnipeg.

More important, Dick Willis, Manitoba's Chief Electoral Officer, reports in glowing terms of Daphne's secondment.

"From the moment Daphne arrived," Dick wrote, "she became a great asset to us. Her years of experience in the election finances field enabled her to fill in immediately and we all benefitted from her wisdom and experience in assessing the flood of financial returns."

Just another version of cooperative federalism in Canada.

COMPARATIVE SURVEY

In 1978, the Commission published the first edition of A Comparative Survey of Election Finance Legislation including information on all 13 Canadian jurisdictions (10 provinces, 2 territories and federal), all the American states, plus Australia and New Zealand. The second edition appeared in 1983 and the 1988 edition is just off the press. This book will be useful for election officials, members of legislative bodies, as well as public and university libraries. For students in this field of research, it will be an indispensable volume. Individual copies are

available from the Commission at a cost of \$10. You will find enclosed a flyer providing further details on the revised edition as well as an order form.

HOW RETURNS ARE PROCESSED

What happens to financial returns at the Commission? You may often have wondered. Well, here's the inside story -- a step-by-step account of the process which is the same whether it be a constituency association annual return, or the association and candidate campaign returns.

The return will first be date-stamped by our Reception Coordinator, Louise Pequenez. It is then passed on to the Financial Filing Officer, Roy Snider, CA, and his assistant, Maria Bereczki, who initiate the review process by noting any obvious missing items such as signatures on the Commission's copy of receipts. At this stage the return has some information entered into the computer system which also triggers an acknowledgement and confirming receipt.

At this early stage the return is copied and put on public display, so that it is immediately available to anybody who wishes to see it. The original copy is kept on file for security.

Our Executive Director, Gordon Kushner, CA, assisted by Roy Snider, CA, then screen all returns to determine the level of review required. The returns go on to Marlene Harrison for data entry. The entire return and certain receipt information is keyed into the computer. Any discrepancies or mathematical errors are noted for the attention of the Compliance Officers.

Our Compliance Officers are Daphne Check and Eileen De Calderon, who together with Roy Snider, CA and various temporary and permanent assistants, clear the noted errors and carefully examine the return for further contraventions. The Compliance Officers contact the Chief Financial Officers, and if necessary, the auditors, to confirm or clarify information and to deal with any apparent contraventions.

Once the return has cleared the review process, or if there are any unresolved problems, the Ex-

ecutive Director will either recommend that the return be approved or that further action is required. Once the return has been approved by the Commission at one of its monthly meetings, subsidy cheques for the auditor, and for the candidate (if applicable), are ordered from the Legislative Assembly Finance Branch. Cheques and letters confirming approval are signed and released by the Executive Director. The Commission examines summaries of all returns and determines whether any returns with apparent contraventions trigger a reprimand or should be reported to the Attorney General.

In the review process it is important that questions regarding your return, or responses to letters regarding them, be directed to the Compliance Officer requesting the information because he or she is in the best position to respond to your questions. In their absence, queries on returns should be directed to the Executive Director, who, while having the responsibility of chief operating officer, is specifically in charge of the review process. The review process is much quicker and simpler if you respond promptly to the compliance officer, or failing her or him, to the Executive Director. This will avoid delay in the release of subsidy cheques.

For general information, all officers are available to assist you. The Commission has a Registration and Communications Officer, Jean Ouellet, who is extremely knowledgeable on all aspects of the Election Finances Act. Among his many responsibilities, he is in charge of information distribution and maintenance of permanent file information on all candidates, constituency associations and political parties registered in Ontario.

Our Chairman, Donald C. MacDonald, has the responsibility of liaising with the Legislative Assembly and senior government officials and of conducting all meetings of the Commission. He is also the source of direction on sensitive or controversial issues. He is assisted by Donna Aceto who takes the minutes at Commission meetings and is also office manager.

The Commission staff are all very approachable and willing to help. We hope that this brief

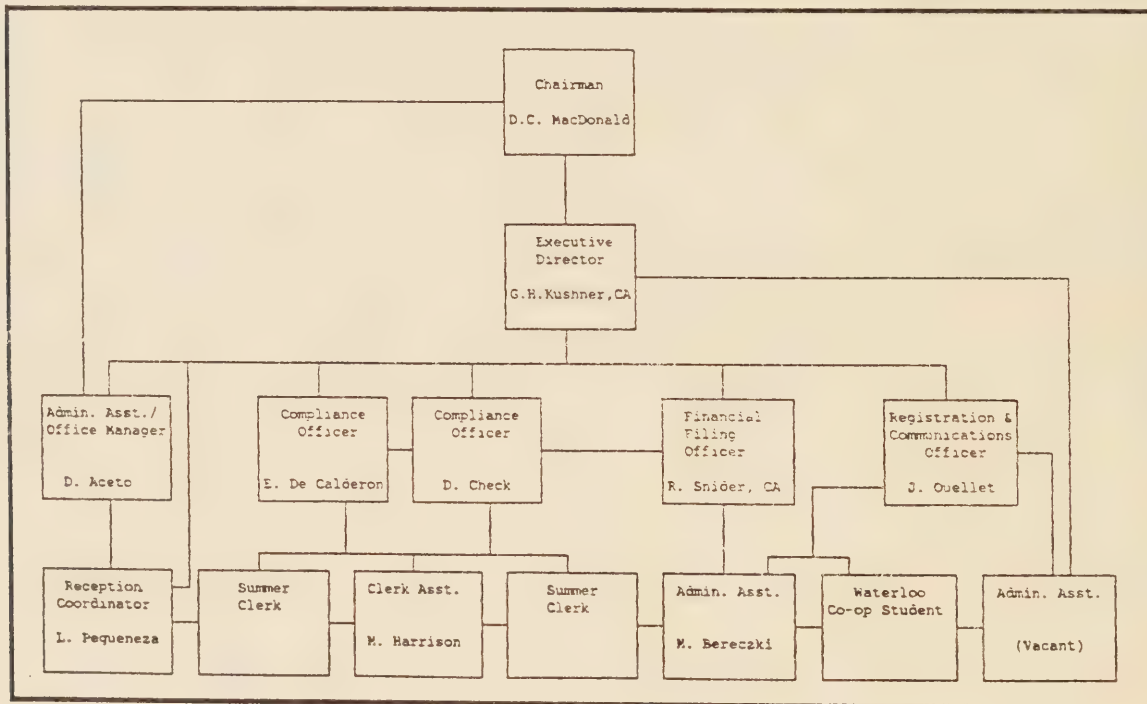
description of our operation will help when you have questions or concerns with your filing.

COMMISSION ORGANIZATION

The years 1987-88 have been eventful ones at the Commission. They were preceded by redistribution, and its resultant deregistration and reregistration of all riding associations, as well as adapting to the new provisions and expanded responsibilities of the Election Finances Act -- all, of course, in preparation for the general election. In addition, the two top administrative officers retired, and a new Executive Director took over.

Even that wasn't the end of the changes. To cope with the added workload of this period our personnel was, for the first time since 1975, increased to fifteen staff positions, and the whole office was computerized. Everyone is now working from a common data base.

Now for the good news! The review and refinement of procedures with the assistance of computers has streamlined the operations and the staff of the Commission so that permanent employees complement is now at ten. Of course, during peak load periods, temporary staff is hired; and we benefit periodically from visiting co-op students or seconded personnel.



ED ALLEN'S DEPARTURE

On October 14, Ed Allen advised us that he was leaving the Commission -- he had held the position of Registrar since (now retired) Bob Dobson's promotion to Director of Registration and Communications in 1986. In all, Ed has worked for over 13 years in the registration branch of the Commission's operations. As testimony to his continuous work over all these years, he had accumulated nearly three months of unused holiday time, so that he will be able to benefit from a period of relaxation before going on to other endeavors.

Ed's colleagues at the Commission wish him well. We are confident that there are hundreds

of volunteers across the province for whom his voice was a familiar one, and for whom he has proven to be an unfailing helper in resolving the problems which they faced.

Bonne chance, Eddie! We'll miss you.

NEW STAFF

Roy Snider, CA joined the Commission on October 24, 1988 as Financial Filing Officer. He has been with the Office of the Provincial Auditor for 13 years and has been seconded to the Commission since February 1, 1988. He liked us so much and his performance was so good that it seemed natural and appropriate for Roy to join us.

Welcome aboard, Roy!

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October 1988

THE 13TH ANNUAL REPORT

We recommend that you read this issue of the Bagman in conjunction with the 13th Annual Report of the Commission. Traditionally, the Commission's Annual Report is published earlier but this edition was delayed in order to include an account of the 1987 general election financial returns which were not due in our office until March 10. You will find a summary of the candidates' and associations' income, expenses and subsidies for each electoral district starting on page 49. Furthermore, courtesy of our computer system, pages 66-69 provide some interesting statistical analyses regarding the ten highest fund-raising campaigns, campaign expenditures, overall most expensive campaigns, campaign surpluses, campaign deficits, and highest material inventories both at the beginning and the end of the campaign. Despite the serious concern about having to operate within certain limitations on campaign expenditures, no candidate ex-

ceeded the limit. Moreover, while that limit for an average-sized constituency was in the range of \$45,000, the Liberal candidates averaged campaign expenditures of \$36,350.31; the New Democrats, \$18,771.82, and the Progressive Conservatives, \$27,528.66. (For further details, see page 4 of the Annual Report.) At a time when there is a growing concern about the skyrocketing cost of an election, this was a significant achievement.

THE ELECTION FINANCES ACT

Section 4(3) of the Election Finances Act, 1986 compels the Commission to make recommendations for amendments to the Act within 60 days of the end of the campaign period of a general election. Found in the 13th Annual Report (pages 24-37) is the first installment of the Commission's

recommendations which were submitted to the speaker of the Assembly last February. You will note that some of them are merely housekeeping, while others are more substantive. It should be emphasized that these are merely recommendations. Whether or not they will be implemented is a decision which rests with the Legislature when it next reviews the legislation.

However, one of the specific areas for which the Commission is obligated to make recommendations following the experience of an election is with regard to changes in the limits on contributions, campaign expenses and the level of

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public funding for candidates and party expenses as well as subsidies for auditor's fees. These were considered, along with other matters, by the Commission at its October 19, 1988 meeting and further recommendations for amendments have been forwarded for consideration.

In view of the fact that candidates appear to have experienced no problem with the limit on campaign expenses -- as a matter of fact, many were substantially below the limit and most associations ended the 1987 calendar year in a surplus position -- the Commission decided that it was too soon to suggest any change, but recommended that the matter be reviewed closer to the anticipated date of the next general election.

On occasion, a registered political party, in a general election or by-election, may not incur campaign expenses, and yet the Act is open to the interpretation that a party may still be entitled to a subsidy. With regard to candidates, the Act states that they must incur campaign expenses in order to receive a subsidy. The Commission has recommended that the Act clearly states that a party must incur expenses in order to qualify for a reimbursement.

One of the persistent problems that the Commission has had to cope with at every election is the acceptance of contributions by a candidate's CPO before registration, which, of course, is in contravention of the Act. In the past the Commission has issued a reprimand in such cases, but the contravention has persisted -- even, on occasion has been repeated by the same campaign organization. In order to curtail this practice, the Commission is recommending that its guidelines be revised so that any contribution received prior to registration be turned over to the Commission.

Another difficulty is that on the relatively rare occasions that constituency associations have been deregistered for failure to file a financial statement, the statement was not filed unless and until they sought re-registration. That may open the door to possible misuses of receipts. Therefore it is recommended that, upon deregistration, a constituency association must file all financial statements up to the date of deregistration within 30 days of being deregistered.

Finally, the Commission recommended that in addition to Parry Sound (which was identified last February), the riding of Timiskaming be added to the list of northern ridings qualifying for a special increased allowance on expenditure limitations and subsidies payable to assist in coping with the greater distances to be covered.

EXCHANGE PROGRAM

Canadian electoral officials are developing a program of seconding personnel for short periods of time to other election offices in order to help with peak loads, and more important, to share experience and procedures. During this year, the Commission has had the pleasure of hosting Laura Di Stefano, from the Ontario Chief Election's Office, and Roy Snider, C.A., from the Office of the Provincial Auditor.

For the first time, one of our own staff, Daphne Check spent a nine week stint in Manitoba.

Daphne reports that it was thoroughly enjoyable, and richly rewarding. She even survived the autumn winds at the corner of Portage and Main in Winnipeg.

More important, Dick Willis, Manitoba's Chief Electoral Officer, reports in glowing terms of Daphne's secondment.

"From the moment Daphne arrived," Dick wrote, "she became a great asset to us. Her years of experience in the election finances field enabled her to fill in immediately and we all benefitted from her wisdom and experience in assessing the flood of financial returns."

Just another version of cooperative federalism in Canada.

COMPARATIVE SURVEY

In 1978, the Commission published the first edition of A Comparative Survey of Election Finance Legislation including information on all 13 Canadian jurisdictions (10 provinces, 2 territories and federal), all the American states, plus Australia and New Zealand. The second edition appeared in 1983 and the 1988 edition is just off the press. This book will be useful for election officials, members of legislative bodies, as well as public and university libraries. For students in this field of research, it will be an indispensable volume. Individual copies are

A COMPARATIVE SURVEY OF ELECTION FINANCE LEGISLATION 1988

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Donald C. MacDonald
Chairman
Commission on Election Finances

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available from the Commission at a cost of \$10. You will find enclosed a flyer providing further details on the revised edition as well as an order form.

HOW RETURNS ARE PROCESSED

What happens to financial returns at the Commission? You may often have wondered. Well, here's the inside story -- a step-by-step account of the process which is the same whether it be a constituency association annual return, or the association and candidate campaign returns.

The return will first be date-stamped by our Reception Coordinator, Louise Pequenez. It is then passed on to the Financial Filing Officer, Roy Snider, CA, and his assistant, Maria Berezcki, who initiate the review process by noting any obvious missing items such as signatures on the Commission's copy of receipts. At this stage the return has some information entered into the computer system which also triggers an acknowledgement and confirming receipt.

At this early stage the return is copied and put on public display, so that it is immediately available to anybody who wishes to see it. The original copy is kept on file for security.

Our Executive Director, Gordon Kushner, CA, assisted by Roy Snider, CA, then screen all returns to determine the level of review required. The returns go on to Marlene Harrison for data entry. The entire return and certain receipt information is keyed into the computer. Any discrepancies or mathematical errors are noted for the attention of the Compliance Officers.

Our Compliance Officers are Daphne Check and Eileen De Calderon, who together with Roy Snider, CA and various temporary and permanent assistants, clear the noted errors and carefully examine the return for further contraventions. The Compliance Officers contact the Chief Financial Officers, and if necessary, the auditors, to confirm or clarify information and to deal with any apparent contraventions.

Once the return has cleared the review process, or if there are any unresolved problems, the Ex-

ecutive Director will either recommend that the return be approved or that further action is required. Once the return has been approved by the Commission at one of its monthly meetings, subsidy cheques for the auditor, and for the candidate (if applicable), are ordered from the Legislative Assembly Finance Branch. Cheques and letters confirming approval are signed and released by the Executive Director. The Commission examines summaries of all returns and determines whether any returns with apparent contraventions trigger a reprimand or should be reported to the Attorney General.

In the review process it is important that questions regarding your return, or responses to letters regarding them, be directed to the Compliance Officer requesting the information because he or she is in the best position to respond to your questions. In their absence, queries on returns should be directed to the Executive Director, who, while having the responsibility of chief operating officer, is specifically in charge of the review process. The review process is much quicker and simpler if you respond promptly to the compliance officer, or failing her or him, to the Executive Director. This will avoid delay in the release of subsidy cheques.

For general information, all officers are available to assist you. The Commission has a Registration and Communications Officer, Jean Ouellet, who is extremely knowledgeable on all aspects of the Election Finances Act. Among his many responsibilities, he is in charge of information distribution and maintenance of permanent file information on all candidates, constituency associations and political parties registered in Ontario.

Our Chairman, Donald C. MacDonald, has the responsibility of liaising with the Legislative Assembly and senior government officials and of conducting all meetings of the Commission. He is also the source of direction on sensitive or controversial issues. He is assisted by Donna Aceto who takes the minutes at Commission meetings and is also office manager.

The Commission staff are all very approachable and willing to help. We hope that this brief

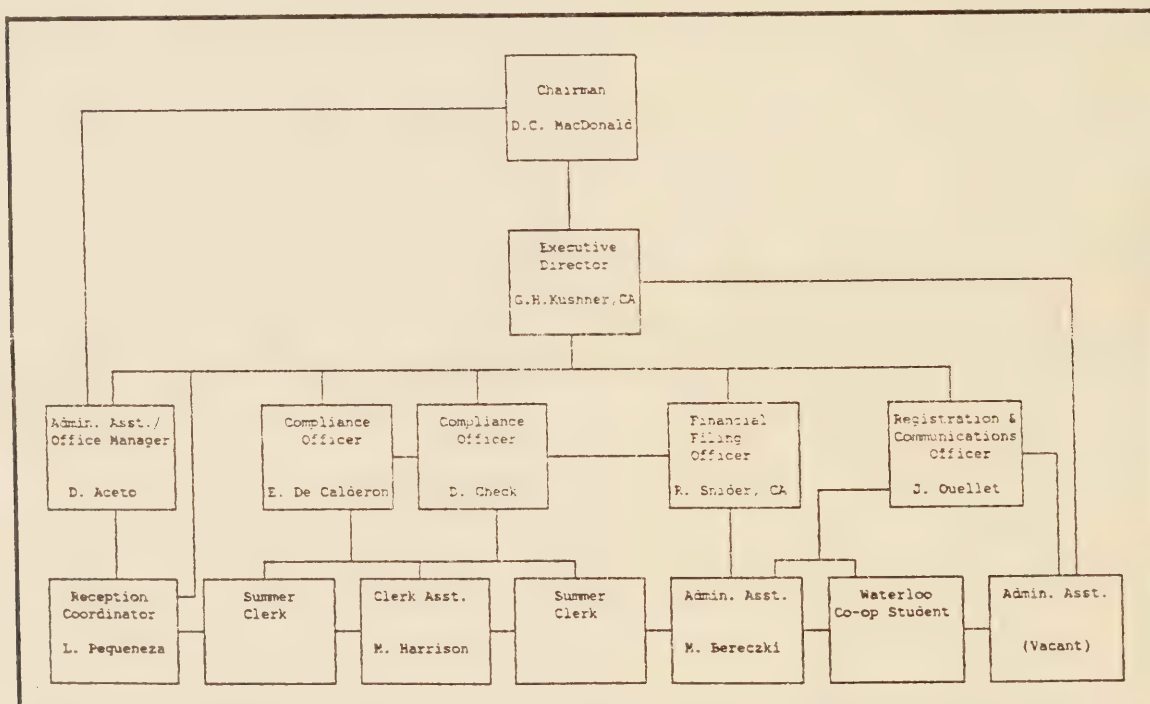
description of our operation will help when you have questions or concerns with your filing.

COMMISSION ORGANIZATION

The years 1987-88 have been eventful ones at the Commission. They were preceded by redistribution, and its resultant deregistration and reregistration of all riding associations, as well as adapting to the new provisions and expanded responsibilities of the Election Finances Act -- all, of course, in preparation for the general election. In addition, the two top administrative officers retired, and a new Executive Director took over.

Even that wasn't the end of the changes. To cope with the added workload of this period our personnel was, for the first time since 1975, increased to fifteen staff positions, and the whole office was computerized. Everyone is now working from a common data base.

Now for the good news! The review and refinement of procedures with the assistance of computers has streamlined the operations and the staff of the Commission so that permanent employees complement is now at ten. Of course, during peak load periods, temporary staff is hired; and we benefit periodically from visiting co-op students or seconded personnel.



ED ALLEN'S DEPARTURE

On October 14, Ed Allen advised us that he was leaving the Commission -- he had held the position of Registrar since (now retired) Bob Dobson's promotion to Director of Registration and Communications in 1986. In all, Ed has worked for over 13 years in the registration branch of the Commission's operations. As testimony to his continuous work over all these years, he had accumulated nearly three months of unused holiday time, so that he will be able to benefit from a period of relaxation before going on to other endeavors.

Ed's colleagues at the Commission wish him well. We are confident that there are hundreds

of volunteers across the province for whom his voice was a familiar one, and for whom he has proven to be an unfailing helper in resolving the problems which they faced.

Bonne chance, Eddie! We'll miss you.

NEW STAFF

Roy Snider, CA joined the Commission on October 24, 1988 as Financial Filing Officer. He has been with the Office of the Provincial Auditor for 13 years and has been seconded to the Commission since February 1, 1988. He liked us so much and his performance was so good that it seemed natural and appropriate for Roy to join us.

Welcome aboard, Roy!

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Election Finance Reporter

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VOL. 6 - NO. 1

JANUARY 1989

CHAIRMAN'S COLUMN



A belated Happy New Year!

It promises to be a somewhat quieter year. From 1985 to 1988, the pace was hectic--with elections, redistribution, deregistration, reregistration, a new Act with different and added requirements--and seemingly endless financial returns. As the volunteers who keep the political system operating, you deserve a break, and I am confident 1989 will provide it. There will be only one financial return, covering constituency and party finances in 1988, to be filed not later than May 31.

In the hope that it will be of assistance to you, we are devoting this issue of the Newsletter to Questions and Answers on the common problems.

No doubt, given the limited space, we will not be covering all possible situations. Therefore we strongly urge that, if you are ever in doubt, give us a call to review any particular circumstances which you encounter. Our hope is to accelerate the review and approval process of the hundreds of returns in a manner that will be of benefit to chief financial officers and auditors.

Which brings me to the most important question now: Have you gathered together all your records for 1988 and taken them to your auditor? If not, why not? I invite you to note Question 1 on the next page.

Our thanks for your cooperation in the past, and our very best wishes for 1989.

Sincerely,

Donald C. MacDonald
Chairman

Q: WHEN CAN I FILE THE FINANCIAL RETURN OF MY CONSTITUENCY ASSOCIATION FOR THE YEAR 1988?

A: As of yesterday! The first 1988 return to reach the Commission office was from Helen Corcoran, CFO for the Liberal Constituency Association of Frontenac-Addington, and it arrived on January 9. In other words, Mrs. Corcoran completed her return in the first week of the New Year. And, as invariably happens, it was a very "clean" financial statement--no errors or omissions! There's a moral to this story: the longer you leave it, the more difficult it gets; your auditor will become tied up with income tax returns. So, gather your records together now and get them to your auditor immediately. Then you won't be one of the 15-20% of the CFOs who have not met the May 31 deadline in the past, and being in contravention of the Act, have run the risk of having their riding association deregistered.

Q: CAN PROVINCIAL CONSTITUENCY FUNDS BE SPENT IN A LEADERSHIP CAMPAIGN?

A: No. The 1986 Election Finances Act forbids the transfer of provincial constituency funds to a leadership campaign; to a municipal candidate's campaign; or to a federal party or constituency association.

Q: IF I CANNOT RECOVER THE CONTRIBUTOR'S COPY OF A RECEIPT ORIGINALLY ISSUED TO A PARTNERSHIP, WHAT ARE THE IMPLICATIONS?

A: Without the cancelled contributor's copy, the receipt is still considered as having been issued, and remains a contravention. The amount of the original receipt must be paid to the Commission. However, if the copy of the receipt is subsequently recovered, you may submit it to the Commission for a full refund.

Q: WHEN CAN A NEWLY-NOMINATED CANDIDATE START TO RAISE FUNDS?

A: Not until s/he has registered with the Commission. This requirement of the Act has been so frequently contravened that at its November, 1988 meeting, the Commission unanimously approved a new Guideline which stipulates that any money raised by a candidate before registration must be turned over to the Commission. That Guideline has been Gazetted, and now has the force of law.

Q: MAY MEMBERSHIP FEES BE COLLECTED WHERE THE RIDING IS A JOINT FEDERAL/PROVINCIAL ASSOCIATION?

A: Yes. Provided the Membership Fees paid are accounted for and maintained in completely separate bank accounts.

Q: WHAT IS THE BEST WAY OF REPLACING A RECEIPT LOST BY A CONTRIBUTOR?

A: The best way is to make a photocopy of the Chief Financial Officer's copy and write or type underneath "This is a true and certified copy of receipt No. ____." This should be signed by the Chief Financial Officer. If the contributor insists on the issuance of a completely new receipt, the new receipt should bear exactly the same information as the original with the addition of "Duplicate Receipt Replacing Receipt No. ____" written or typed on the form.

Q: MAY CONTRIBUTIONS BE ACCEPTED FROM JOINT VENTURES OR CORPORATE PARTNERSHIPS?

A: No. The same rules apply as for unincorporated associations in Section 17(1).

Q: HOW SHOULD I GO ABOUT REFUNDING AN OVER CONTRIBUTION WHEN A RECEIPT HAS ALREADY BEEN ISSUED?

A: First of all you should retrieve the original receipt for cancellation. Issue a new receipt to the contributor for the correct amount along with a refund cheque for the excess contribution. Finally send to the Commission the donor's copy of the original receipt and the Commission's copy of the new receipt along with a photocopy of the cancelled refund cheque. Should you be unable to retrieve from the contributor his/her copy of the original receipt then the excess funds must be remitted to the Commission.

Q: IF A CONTRIBUTION IS MADE WITH A CORPORATE CHEQUE CAN A RECEIPT FOR THIS CONTRIBUTION BE MADE IN THE NAME OF AN INDIVIDUAL?

A: No. The receipt must be issued to the corporate name printed on the cheque, as the funds were obviously those of the corporation. If an individual contributor wishes a receipt to be made out in his/her own name then the contribution cheque must represent funds drawn on his/her personal account.

Q: OUR ASSOCIATION BOUGHT A BLOCK OF TICKETS TO A CHAMBER OF COMMERCE DINNER AND THEN SOLD THEM TO OUR MEMBERS AT THEIR PURCHASE PRICE. SHOULD THE MONEY RECEIVED FROM OUR MEMBERS FOR THESE TICKETS BE RECEIPTED?

A: No, providing the members were aware that the money paid was not a contribution to the Association for general purpose use but was paid specifically for the tickets purchased in bulk as a convenience.

Q: IF A BUSINESS MAKING A CONTRIBUTION IS NOT LIMITED OR INCORPORATED BUT A SOLE PROPRIETORSHIP, DO I HAVE TO PUT THE NAME OF THE OWNER OF THAT BUSINESS ON THE RECEIPT EVEN THOUGH THE CONTRIBUTION CHEQUE ONLY HAS THE BUSINESS NAME PRINTED ON IT?

A: Yes, the proprietor's name is required as it is s/he who will be applying for the tax credit.

Q: IF THE ASSOCIATION KEEPS ALL OF ITS RECEIPT INFORMATION ON A COMPUTER, USING A DATABASE SYSTEM, WOULD ANY OF THIS INFORMATION BE OF USE TO THE COMMISSION?

A: Yes. You can assist the Commission staff in the prompt review of returns by submitting information from your computer's receipt information file. Our computer can accept data on floppy disks provided certain specifications are met. Please give us a call and we will guide you through this process.

Q: CAN I CALL THE COMMISSION COLLECT FOR INFORMATION AND ASSISTANCE?

A: Yes. We encourage you to call station-to-station, collect. If you wish to speak to a specific person, your call will be appropriately routed or your call will be returned, usually the same day.

Q: WHAT HAPPENS WHEN A CHIEF FINANCIAL OFFICER RESIGNS OR IS REPLACED?

A: The constituency association, political party, candidate or leadership contestant must immediately appoint a replacement and advise the Commission, in writing, of the name of the new chief financial officer.

A NEW GUIDELINE

A frequent contravention of the Act over the years has been the raising of money by a candidate, after nomination but before registration with the Commission. At its November meeting, the Commission unanimously decided if money is raised by, or on behalf of, a candidate before s/he is registered with the Commission, that money must be turned over to the Commission. The decision has become an added guideline which has been Gazetted and therefore now has the force of law.

COMMISSION "RETREAT"

On February 24-25 the Commission is going to sponsor a "retreat" at which its nine members, its senior staff, representatives from the provincial organizations of the eight registered parties and a representative from each of the caucuses at Queen's Park, will go off to consider the allegation that there is gradually emerging a change in our operational philosophy.

As you are well aware the Election Finances Act, 1986 imposed added requirements for the financing of political activities. In addition, the Commission has tightened procedures where there have been persistent contraventions. The responsibility of the Commission staff is to see that these requirements are met; they are in fact the law of the province. That has resulted in the perception on the part of some that the philosophy of the Commission is changing. If so, it is entirely unintentional, for our job remains that of being as cooperative and helpful as possible.

In any case, it is useful to any organization to step back periodically, and take a look at itself. That is what will be done at the "retreat," with the help of party officials and legislators. Out of the sessions may emerge proposals for further amendments to the Act, or changes in our procedures. If so, we shall pass them on for consideration at Queen's Park and report them in our next Newsletter.

THIRD-PARTY ADVERTISING

Election financing has become an increasingly hot topic in both the United States and Canada.

In the United States, the Supreme Court has approved legislation passed by Congress which imposes limits on campaign contributions but struck down that portion of the law which imposes limits on campaign expenditures as being an infringement on free speech. In Canada, prior to the 1984 federal election, an Alberta Court supported the right of "third parties" (in this instance, the National Citizens' Coalition) to advertise during an election. As a result, Canada is in the anomalous position of having parties and their candidates subject to limitations on campaign contributions, and in some instances, expenditures, while third parties are not. It is a situation widely believed to be undermining the objective of assuring a "level playing field" for all candidates.

This problem will be considered at the Commission "retreat" mentioned earlier. It was also on the agenda of the conference on Government Ethics Laws, held in Orlando, December 4-7, 1988, and at a

workshop of middle management personnel from all Canadian jurisdictions to be held in Quebec City, February 9-10, 1989. The issue was also raised in legislative committee hearings at Queen's Park during the Fall session.

Hopefully, all this debate may result in a consensus for legislation which will establish appropriate controls on accountability on all election spending without infringing on the basic right of free speech.

STAFF CHANGES

There have been some relatively minor, though important, changes in the organizational structure of the Commission's operations. The functions of Registration and Communications have been combined, under the direction of Jean Ouellet, while the filing of financial returns falls to Roy Snider, who joined our staff when Ed Allen left last October. Working with Roy are two financial review officers, Daphne Check and Eileen De Calderon. All the work comes under the general direction and supervision of Gordon Kushner, the Executive Director.

Meanwhile, Maria Bereczki, who for years had been clerical staff for the registration and communications work, has moved to become executive assistant to Gordon Kushner, and she has been replaced by Joanne Longe.

During the past year the staff has been reduced from 15 to ten. It is leaner, but with computerization, we are confident it is more efficient.

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the Bagman

Election Finance Reporter

Commission on Election Finances
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VOL. 6 - NO. 2

MAY 1989



PARTIES AND ASSOCIATIONS - PLEASE NOTE!

While, to date, approximately 20% of the annual returns due on or before May 31, 1989 have been filed, the Commission is concerned that past late filings do not repeat themselves. To encourage filing on time the Commission passed the following motions:

"Any association which has not filed an Annual AR-1 Return postmarked on or before May 31, 1989 would be notified that the Commission proposes that the association be deregistered on June 30, 1989, and that the Commission would consider prosecution which might result in a fine of up to \$1,000. Further, that this policy be communicated to all association chief financial officers and auditors by means of a special bulletin."

"Any party which has not filed an Annual AR10/11 Return postmarked on or before May 31, 1989 would be notified that the Commission proposes that the party be deregistered on June 30, 1989 and that the Commission would consider prosecution which might result in a fine of up to \$2,000. Further that this policy be communicated to all party chief financial officers and auditors by means of a special bulletin."

This is the bulletin. We urge all those CFOs who have not yet filed a return to respond immediately so that the requirements of the law can be met.

THIRD-PARTY ELECTION ACTIVITIES

In 1983, the federal election legislation was amended to ban all third-party spending on advertising and related activities. On the eve of the 1984 election the National Citizens' Coalition challenged this prohibition as a violation of free speech guaranteed under the Charter of Rights and Freedoms. A lower court in Alberta upheld the challenge and no appeal was launched. In effect, that judgment became the law of the land in the 1984 and 1988 federal elections.

In contrast, the Quebec Election Act had banned third-party activities by making them subject to the approval of the financial agent of a party (in which case the expenditure in respect of them became a party expenditure). When challenged, this prohibition was upheld by the Superior Court, and subsequently, the judgment was confirmed by the Appeal Court.

The Ontario election finances legislation is silent on this question. The net result is that, in Canada, federally and in Ontario, provincially, registered parties and candidates are subject to statutory limitations on campaign contributions and expenditures, while third-party activities are neither regulated nor subject to public disclosure. In the Alberta lower court, a ban on third-party activities was judged to be a violation of free speech. In Quebec, the Superior Court has stated, in its reasons for its decision, that the freedom to spend is not equivalent to the freedom of expression.

Thus, this issue is legally unresolved. At the Commission's "retreat" in February, and again at the Commission meeting on April 26, 1989 there was lengthy discussion. Because it is basically

a policy issue--and policy decisions lie with the Legislature--the Commission decided to refer the issue to our legislators without recommendation.

COMMISSION "RETREAT"

In the last newsletter, it was reported that the Commission had scheduled a "retreat" for February 24-25 when its nine members, six senior staff, and representatives of the eight registered parties and three legislative caucuses would have an opportunity for a frank discussion of the Commission's operations. We expected some criticism, and, quite frankly, were surprised with expressions of general satisfaction. Instead, discussions focused on points of administrative procedures where improvements might be made to the advantage of both Commission staff, and more particularly, volunteers at the party and constituency association levels. The occasion provided an opportunity for suggesting desirable amendments to the Election Finances Act, 1986. These were noted, subsequently discussed at the Commission meeting, and for the most part, passed on in our report to the Legislature.

FORTHCOMING AMENDMENTS

The Commission is responsible to the Legislature through the Government House Leader, now the Hon. Sean Conway. Our Chairman has been assured by Mr. Conway that it is their intention to appoint an ad hoc committee representative of all the parties in the Legislature, which will winnow through the recommended amendments from the Commission and any other sources, in preparation of a new amending bill. This was the procedure followed in 1975, and again in 1985, in advance of new legislation. Election legislation,

more than any other, should be, if at all possible, the product of consensus among the parties; it is basic to our democratic procedures. This "consensus" approach has worked well in the past, and there is no reason why it cannot again.

PERSONNEL EXCHANGE

During recent years Lorie Wells, of the staff of the Ontario Chief Election Officer of Ontario, has coordinated the development of a program of seconding of personnel among the federal and 12 provincial/territorial election offices in Canada. The purpose of this program is to provide staff members with an opportunity to broaden their experience, and at the same time, help out colleagues in other jurisdictions when coping with their peak post-election work load.

Last Fall, as reported earlier, Daphne Check, one of our Compliance Officers, spent nine weeks in Manitoba. Daphne enjoyed the experience immensely - apart from the very thought of ever having to experience the winter, wind-swept corner of Portage and Main Streets. "Dick" Willis, Manitoba's Chief Electoral Officer, was equally appreciative of Daphne's time with them.

As this newsletter is being compiled, Jean Ouellet, our Registration and Communications Officer, is in the midst of an eight-week seconding with Elections Canada in Ottawa. They are now shouldering the burden of last fall's federal election returns, and undoubtedly, with his computer skills, Jean is sharing the load.

He will return to his regular work at the Commission on June 1, just in time to help out with the 1988 financial returns from Ontario's

eight registered parties and 482 riding associations, which are due on May 31.

PARTY LEADERSHIP RULES

For the first time in the history of any jurisdiction, the Election Finances Act, 1986 subjected party leadership contestants to financial regulations. The forthcoming race of the Ontario Progressive Conservative Party offers the first major test of these new requirements.

The Act requires that any leadership contestant register with the Commission and, subsequent to the vote, submit an audited financial statement of income and expenditures. There are, however, no limits on contributions or expenditures, and no tax credits for contributions.

In addition, the Act stipulates that no money can be raised or spent until the contestant is registered, and registration cannot take place until the leadership race has officially been launched by the party.

There have been a spate of media stories about alleged expenditures in contravention of these regulations. In a general election, CFOs will recall that there are expenditures, (some listed in the statute, others added by the Commission), which are exempt from campaign expense limitations.

At its April meeting, following lengthy discussion, the Commission instructed the staff to draft guidelines which might list acceptable exemptions from leadership campaign expenditures, for which there may be no prohibition or raising and spending money in advance of the launching of the leadership race. This guideline will be considered by the Commission at its next meeting, on May 31.

JOINT FUND-RAISING EVENTS

Many associations over the years have participated in joint fund-raising functions. As this type of event has often caused CFOs some confusion as to how the function should be organized and reported on the respective returns, we are setting out below some pointers which will be useful:

1. When a joint fund-raiser is contemplated, a meeting should be held between the CFOs of each participating organization. At this meeting the following should be agreed upon:

- a) the price of the tickets and whether part or all will be deemed a contribution and therefore, receive an official receipt. Up to \$25 may be considered an expense and therefore not receipted;
- b) the wording of the tickets and any advertising or promotional material. Remember that the names of the sponsoring bodies must be clearly indicated on each; and
- c) the appointment of one of the CFOs as treasurer for the event. When one person coordinates all financial activity and one set of books is kept, then there is less possibility of error and confusion.

2. The CFO who has been appointed treasurer for the event should then:

- a) set up a separate bank account to be registered with the Commission;
- b) deposit all proceeds from ticket sales and other

income such as refreshment sales into this account, and pay all expenses from this account;

c) keep a full set of records which will be submitted to the association's auditor along with the appropriate financial return;

d) transfer the transactions to the association's return, as the gross income and expenses for the functions must be recorded on one return. The distribution of the net profit will be reported as "transfers out" to the other participating associations who, in turn, will report the income as "transfers received;" and

e) prepare a separate financial statement of all income and expenses for the event and distribution of net proceeds between the participating associations. A copy of this should be sent to each CFO so that it may be submitted with their financial filing.

3. Ensure that all persons eagerly selling tickets to raise funds are aware of all the regulations relating to contributions and from whom they can be accepted. Be sure that your volunteers keep clear records of each purchaser, number of tickets and amounts and that these are submitted quickly to the fund-raising treasurer.

4. Should one organization wish to purchase a number of tickets, e.g. to make up a table at a dinner, be sure that the \$750 limit is not being contravened. In a case such as this, the other association(s) should issue a receipt or receipts up to \$750 for any amount

exceeding the \$750 receipted by the treasurer for the event.

5. Another point often overlooked is that contributions are aggregated. Take the following scenario. Mary Jane is a generous supporter of X Association and has on May 1, 1989, contributed \$750, the maximum allowable for the year. On June 1, she receives a flyer promoting a Halloween Ball to be held by WXY and Z Associations in October. She joyfully buys tickets for her husband and herself and decides to make dazzling costumes. When all tickets have been sold and the treasurer for the event sits down to make out his receipts, he nearly makes the error of issuing a receipt for Mary Jane. But, fortunately, he consults his alphabetic file of donors for 1989 and notices that Mary Jane has already contributed \$750. He then asks the CFO of Y Association to issue the appropriate receipt to be accounted for then in Y Association's annual return. Appropriate entries should be made showing transfers in and out to reflect this transaction. Thus, due to the treasurer's careful organization, Mary Jane's much anticipated evening is enjoyed to the fullest by all.

6. Do read Guideline G-31 and our blue pocket guide to Fund-Raising Functions.

7. Do not hesitate to call us with any questions, no matter how trivial they may seem. There is always someone here with the time to listen and the ability to help.



the Bagman

Election Finance Reporter

Commission on Election Finances
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(416) 965-0455

VOL. 6 - NO. 2

MAY 1989

PARTIES AND ASSOCIATIONS - PLEASE NOTE!

While, to date, approximately 20% of the annual returns due on or before May 31, 1989 have been filed, the Commission is concerned that past late filings do not repeat themselves. To encourage filing on time the Commission passed the following motions:

"Any association which has not filed an Annual AR-1 Return postmarked on or before May 31, 1989 would be notified that the Commission proposes that the association be deregistered on June 30, 1989, and that the Commission would consider prosecution which might result in a fine of up to \$1,000. Further, that this policy be communicated to all association chief financial officers and auditors by means of a special bulletin."

"Any party which has not filed an Annual AR10/11 Return postmarked on or before May 31, 1989 would be notified that the Commission proposes that the party be deregistered on June 30, 1989 and that the Commission would consider prosecution which might result in a fine of up to \$2,000. Further that this policy be communicated to all party chief financial officers and auditors by means of a special bulletin."

This is the bulletin. We urge all those CFOs who have not yet filed a return to respond immediately so that the requirements of the law can be met.

THIRD-PARTY ELECTION ACTIVITIES

In 1983, the federal election legislation was amended to ban all third-party spending on advertising and related activities. On the eve of the 1984 election the National Citizens' Coalition challenged this prohibition as a violation of free speech guaranteed under the Charter of Rights and Freedoms. A lower court in Alberta upheld the challenge and no appeal was launched. In effect, that judgment became the law of the land in the 1984 and 1988 federal elections.

In contrast, the Quebec Election Act had banned third-party activities by making them subject to the approval of the financial agent of a party (in which case the expenditure in respect of them became a party expenditure). When challenged, this prohibition was upheld by the Superior Court, and subsequently, the judgment was confirmed by the Appeal Court.

The Ontario election finances legislation is silent on this question. The net result is that, in Canada, federally and in Ontario, provincially, registered parties and candidates are subject to statutory limitations on campaign contributions and expenditures, while third-party activities are neither regulated nor subject to public disclosure.

In the Alberta lower court, a ban on third-party activities was judged to be a violation of free speech. In Quebec, the Superior Court has stated, in its reasons for its decision, that the freedom to spend is not equivalent to the freedom of expression.

Thus, this issue is legally unresolved. At the Commission's "retreat" in February, and again at the Commission meeting on April 26, 1989 there was lengthy discussion. Because it is basically

a policy issue--and policy decisions lie with the Legislature--the Commission decided to refer the issue to our legislators without recommendation.

COMMISSION "RETREAT"

In the last newsletter, it was reported that the Commission had scheduled a "retreat" for February 24-25 when its nine members, six senior staff, and representatives of the eight registered parties and three legislative caucuses would have an opportunity for a frank discussion of the Commission's operations. We expected some criticism, and, quite frankly, were surprised with expressions of general satisfaction. Instead, discussions focused on points of administrative procedures where improvements might be made to the advantage of both Commission staff, and more particularly, volunteers at the party and constituency association levels. The occasion provided an opportunity for suggesting desirable amendments to the Election Finances Act, 1986. These were noted, subsequently discussed at the Commission meeting, and for the most part, passed on in our report to the Legislature.

FORTHCOMING AMENDMENTS

The Commission is responsible to the Legislature through the Government House Leader, now the Hon. Sean Conway. Our Chairman has been assured by Mr. Conway that it is their intention to appoint an ad hoc committee representative of all the parties in the Legislature, which will winnow through the recommended amendments from the Commission and any other sources, in preparation of a new amending bill. This was the procedure followed in 1975, and again in 1985, in advance of new legislation. Election legislation,

more than any other, should be, if at all possible, the product of consensus among the parties; it is basic to our democratic procedures. This "consensus" approach has worked well in the past, and there is no reason why it cannot again.

PERSONNEL EXCHANGE

During recent years Lorie Wells, of the staff of the Ontario Chief Election Officer of Ontario, has coordinated the development of a program of seconding of personnel among the federal and 12 provincial/territorial election offices in Canada. The purpose of this program is to provide staff members with an opportunity to broaden their experience, and at the same time, help out colleagues in other jurisdictions when coping with their peak post-election work load.

Last Fall, as reported earlier, Daphne Check, one of our Compliance Officers, spent nine weeks in Manitoba. Daphne enjoyed the experience immensely - apart from the very thought of ever having to experience the winter, wind-swept corner of Portage and Main Streets. "Dick" Willis, Manitoba's Chief Electoral Officer, was equally appreciative of Daphne's time with them.

As this newsletter is being compiled, Jean Ouellet, our Registration and Communications Officer, is in the midst of an eight-week seconding with Elections Canada in Ottawa. They are now shouldering the burden of last fall's federal election returns, and undoubtedly, with his computer skills, Jean is sharing the load.

He will return to his regular work at the Commission on June 1, just in time to help out with the 1988 financial returns from Ontario's

eight registered parties and 482 riding associations, which are due on May 31.

PARTY LEADERSHIP RULES

For the first time in the history of any jurisdiction, the Election Finances Act, 1986 subjected party leadership contestants to financial regulations. The forthcoming race of the Ontario Progressive Conservative Party offers the first major test of these new requirements.

The Act requires that any leadership contestant register with the Commission and, subsequent to the vote, submit an audited financial statement of income and expenditures. There are, however, no limits on contributions or expenditures, and no tax credits for contributions.

In addition, the Act stipulates that no money can be raised or spent until the contestant is registered, and registration cannot take place until the leadership race has officially been launched by the party.

There have been a spate of media stories about alleged expenditures in contravention of these regulations. In a general election, CFOs will recall that there are expenditures, (some listed in the statute, others added by the Commission), which are exempt from campaign expense limitations.

At its April meeting, following lengthy discussion, the Commission instructed the staff to draft guidelines which might list acceptable exemptions from leadership campaign expenditures, for which there may be no prohibition or raising and spending money in advance of the launching of the leadership race. This guideline will be considered by the Commission at its next meeting, on May 31.

JOINT FUND-RAISING EVENTS

Many associations over the years have participated in joint fund-raising functions. As this type of event has often caused CFOs some confusion as to how the function should be organized and reported on the respective returns, we are setting out below some pointers which will be useful:

1. When a joint fund-raiser is contemplated, a meeting should be held between the CFOs of each participating organization. At this meeting the following should be agreed upon:

a) the price of the tickets and whether part or all will be deemed a contribution and therefore, receive an official receipt. Up to \$25 may be considered an expense and therefore not receipted;

b) the wording of the tickets and any advertising or promotional material. Remember that the names of the sponsoring bodies must be clearly indicated on each; and

c) the appointment of one of the CFOs as treasurer for the event. When one person coordinates all financial activity and one set of books is kept, then there is less possibility of error and confusion.

2. The CFO who has been appointed treasurer for the event should then:

a) set up a separate bank account to be registered with the Commission;

b) deposit all proceeds from ticket sales and other

income such as refreshment sales into this account, and pay all expenses from this account;

c) keep a full set of records which will be submitted to the association's auditor along with the appropriate financial return;

d) transfer the transactions to the association's return, as the gross income and expenses for the functions must be recorded on one return. The distribution of the net profit will be reported as "transfers out" to the other participating associations who, in turn, will report the income as "transfers received;" and

e) prepare a separate financial statement of all income and expenses for the event and distribution of net proceeds between the participating associations. A copy of this should be sent to each CFO so that it may be submitted with their financial filing.

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4. Should one organization wish to purchase a number of tickets, e.g. to make up a table at a dinner, be sure that the \$750 limit is not being contravened. In a case such as this, the other association(s) should issue a receipt or receipts up to \$750 for any amount

exceeding the \$750 receipted by the treasurer for the event.

5. Another point often overlooked is that contributions are aggregated. Take the following scenario. Mary Jane is a generous supporter of X Association and has on May 1, 1989, contributed \$750, the maximum allowable for the year. On June 1, she receives a flyer promoting a Halloween Ball to be held by WXY and Z Associations in October. She joyfully buys tickets for her husband and herself and decides to make dazzling costumes. When all tickets have been sold and the treasurer for the event sits down to make out his receipts, he nearly makes the error of issuing a receipt for Mary Jane. But, fortunately, he consults his alphabetic file of donors for 1989 and notices that Mary Jane has already contributed \$750. He then asks the CFO of Y Association to issue the appropriate receipt to be accounted for then in Y Association's annual return. Appropriate entries should be made showing transfers in and out to reflect this transaction. Thus, due to the treasurer's careful organization, Mary Jane's much anticipated evening is enjoyed to the fullest by all.

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Disponible aussi en français



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VOL. 6 - NO. 3

OCTOBER 1989

CHAIRMAN'S COLUMN

The terms of reference of the Inquiry now being conducted by Mr. Justice Lloyd Houlden are to investigate the relationship between Patti Starr of the National Council of Jewish Women (Toronto Section) and the Tridel Corporation, with government officials, elected and unelected. Political contributions were made, and therefore the Election Finances Commission is involved.

The legal firm of Stockwood, Blair Spies & Ashby has been retained to assist the Commission and its staff in any hearings in which they may be involved.

During the early stages of the Inquiry Gordon Kushner, C.A., Executive Director of the Commission testified for three days. The Inquiry was seeking a full understanding of the legislation as well as the guidelines and administrative procedures of the Commission.

Now is not the time to review the testimony or to speculate on what conclusions may emerge from it. The proceedings may well go on for a year or two. But from the Commission's collaboration with the police and the staff of the Inquiry in preparing for the hearings, one general conclusion

has emerged: the cases may be exceptional, but there are times when local officials circumvent, if not break the law, sometimes accidentally, sometimes quite deliberately.

As with any law, its effectiveness depends on its enforcement. Traditionally, the Commission has leaned over backwards to work with local volunteers. For example a late filing is in breach of the law, but was finally accepted with only a reprimand. Other contraventions, often unwittingly made, were corrected, but with no penalty. On only two occasions in the last 14 years have there been contraventions deemed by the Commission to be so wilful that charges were laid.

For some time the Commission has felt that this "soft" approach to administration must be tightened up. For example, consistently over the years, 15-20% of returns of candidates and associations have been filed late. There is no excuse for this: five months lapse between the end of a year and the May 31 deadline for filing annual returns, so the delay simply adds to the ultimate workload of the CFO as well as the Commission. So last year the Commission decided that if filings were not made on time, the riding association would be deregistered.

Another example: after being nominated, but before registering when the writ is issued, candidates have frequently raised money--which is a contravention. (The association can do so, but not the candidate.) Earlier this year the Commission decided that any such monies raised by a candidate prior to registration would have to be turned over to the Commission.

The Commission's responsibility, working in cooperation with local party officials, is to see that the law is lived up to, not only fully, but on time.

Here is the current situation at the Commission: there are 70 filings of the 1988 association annual returns which cannot be approved because the Commission's compliance officers have not been able to get information with regard to deficiencies. Sometimes, as many as five letters have been sent, and numerous telephone follow-ups with no response. In fact, in two instances, the CFO has bluntly refused to cooperate. This kind of situation doesn't add to the efficient completion of the work at the local level; and for the Commission, in fulfilling its responsibilities, it is very frustrating.

Therefore, at its October 25, 1989 meeting, the Commission decided that:

Henceforth candidates, constituency associations, parties and leadership contestants who do not file complete returns when due will be deregistered upon proper notice.

Further, the Commission will consider the state of completeness of a return and willingness of the CFO to respond in determining if a prosecution should commence, or if the constituency association or party should be deregistered upon proper notice.

Finally, that the Commission will consider an amendment whereby the constituency association or party which fails to respond to written requests be deregistered.

In conclusion, it should be emphasized that the traditional procedure of the Commission remains: we shall work closely with parties, candidates and riding associations in fulfilling their responsibilities, as laid down in the law. But the Commission has decided that unwillingness or tardiness in doing so should not be tolerated to the extent that it has in the past. Undue leniency leads to a shoddy operation, and as the Houlden Inquiry is now documenting, can lead to highly undesirable consequences.

INCOMPLETE RETURNS

There are many, the vast majority, in fact, who file complete returns on time. As 1989 is drawing to a close, it would be a good idea to arrange for an early audit and consequent filing.

Effective immediately the Commission will no longer accept as filed any returns which have any of the following deficiencies:

- . returns submitted without the signed attestation of the Chief Financial Officer
- . returns submitted without the signed auditor's report
- . returns submitted without the Commission's copies of receipts issued
- . returns submitted without the required schedules completed
- . returns submitted by FAX

While this at first glance may appear to be harsh, the Commission must respond to a growing laxness on the part of some.

TOO MUCH FINANCIAL REPORTING

The annual return has been designed as a complete financial reporting package with the blessing of the Institute of Chartered Accountants of Ontario. Therefore, auditors take note, a separate financial statement is no longer required. In all cases, the form as prescribed by the Commission must be used.

COMPLETE RECEIPTS ACCURATELY

When a corporate cheque is received for a contribution, a receipt must only be made in the name of the corporation--even if you are instructed to do otherwise. The receipt should bear the full name and address of the corporation. The corporate name will normally refer to its corporate status with words in the name such as "Limited, Ltd., Incorporated, Inc., Corporation, Corp."

A partnership is not a corporation. Neither is an unincorporated business. In these cases, receipts must be made out to the individual partners or proprietors. Be very careful. All chief financial officers should be familiar with and understand the provisions of Guideline G22, "Receipts for Contributions."

The annual limit of \$750 for contributions to constituency associations must be observed.

ACCOUNTS PAYABLE

During the course of the review of the 1988 annual returns, Commission staff have encountered many instances where suppliers' accounts payable are not being paid, some dating as far back as 1987.

The Commission has reviewed the problem and hereby gives notice that accounts payable must be cleared up either by payment or by treatment as a contributed good or service. If the supplier agrees in writing to treat the unpaid balance as a contributed good, or service, the annual contribution limit of \$750 must be observed. Therefore, a fundraiser may be needed to pay all the accounts.

Chief Financial Officers and Auditors take note. Our compliance officers will be examining closely your accounts payable balance and how they are being reduced. You must start now to clear up these balances. Remember--the constituency association is responsible for the candidate's deficit. Be prepared to submit a list of payables including name of supplier, amount owing and the date the good or service was provided.

WHY NOT LOTTERIES?

From time-to-time constituency associations consider raising funds by running a raffle.

Be very careful! Raffle and lottery provisions are part of the Criminal Code which prohibits political organizations from holding lotteries or raffles.

TRANSFERS TO AND FROM FEDERAL CANDIDATES AND ORGANIZATIONS

Not surprisingly, the federal general election caused a few embarrassing moments for some provincial constituency associations.

The Election Finances Act strictly forbids transfers to or from a federal party, constituency association or candidate. There is one exception available only at the central party level. (See section 30(1)(b) of the Election Finances Act for limitations.)

PARTY LEADERSHIP POCKET GUIDE

The Election Finances Act for the first time contains rules applicable to leadership contests. The legislation, as it applies to leadership contestants, is primarily intended to disclose expenses and contributions during the leadership contest period.

The Commission has considered the special problems leadership contestants may have in not incurring expenses or receiving contributions outside of the leadership contest period. As a result, a revised Guideline G14, "Leadership Contestant - Use of Contestant's Own Funds" has been published in The Ontario Gazette. As well, a limited supply of the pocket guide Party Leadership Contests in Ontario are available.

CONSTITUENCY ASSOCIATIONS DEREGISTERED

Every year political parties and constituency associations registered with the Commission on Election Finances must file by May 31 an audited financial statement setting out their financial activities for the previous calendar year.

Such annual financial statements were received from Ontario's eight registered political parties and 476 out of 482 of their constituency associations.

As a result of their failure to file, six constituency associations were deregistered by the Commission on July 6, 1989. These associations were: Nepean New Democratic association; Prince Edward-Lennox New Democratic association; Hamilton East Progressive Conservative association; Sudbury East Progressive Conservative association; Parkdale Libertarian association; and Welland-Thorold Family Coalition association.

Hamilton East and Sudbury East Progressive Conservative associations have since complied with the statutory provisions of the Election Finances Act and have applied for and were granted reregistration. Financial statements have also been received from the Parkdale Libertarian association and the Nepean New Democratic association.

LOCAL ELECTION CANDIDATES FORFEIT RIGHTS

With the passing of resolutions by the North York Board of Education and the Oakville Hydro-Electric Commission, their November 1988 municipal elections were held under the Part III provisions of the Municipal Elections Act.

For these two bodies, election financing was administered by the Commission on Election Finances.

Oakville Hydro-Electric Commission

Ten candidates registered with the Commission on Election Finances. Seven candidates filed the required campaign return by the June 30, 1989 statutory deadline. Three statements were received within 30 days of the original deadline.

A review of the statements showed that three candidates neither raised nor spent any monies. The other seven candidates raised a total of \$8,583.

Though each candidate was entitled to spend as much as \$39,132, the average campaign expenses subject to the limitation for the 10 candidates, amounted to \$838.

Only one candidate showed a surplus at the end of the campaign. This amount is being held by the Clerk of the Municipality until the next election.

North York Board of Education

Thirty-four candidates registered for positions in the city's fourteen wards. Twenty-two candidates filed their statements on time. Another eight filed within 30 days of the deadline.

Four candidates, Natalie Soobrian, in Ward 3; Bob Daggett, in Ward 4; Leslie Soobrian, in Ward 5; and Zale Newman, in Ward 6 failed to file and therefore have forfeited their right to hold office or stand for election in the municipality up to and including the next election.

Of the thirty statements filed, two candidates showed that they neither raised nor spent any monies. The other candidates raised a total of \$105,872.

The average campaign expense limitation per ward was approximately \$13,777 per candidate. Candidates spent on an average \$3,366 on campaign expenses.

Nine candidates ended the campaign in a deficit position and another seven accumulated surpluses of \$3,588 being held by the Clerk.

ANNUAL MEETING OF CANADIAN ELECTORAL OFFICIALS

The annual meeting of Canadian electoral officials was held in July in Regina this year. Chairman Donald C. MacDonald and Executive Director. Gordon Kushner, C.A. attended on behalf of the Commission.

The perennial highlight of this gathering is the reports from Elections Canada and the provinces and territories which provide not only an update on developments in each jurisdiction but also suggestions for coping with common problems.

But two other developments highlighted the agenda. The first was the Charter Watch--when many issues, ranging from the voting eligibility of judges, the disabled

and inmates to the vexatious problem of third-party advertising during election campaigns, were reviewed in light of court decisions already made or pending.

The second agenda item holds promise of being an historic development in these annual meetings. Hitherto, they have been confined to the chief electoral officers and the Ontario Election Finances Commission, but for the first time one session was devoted to municipal election financing. A number of provinces have expressed an interest in this subject, and two of the provinces--Quebec and Ontario--have had experience with the extension of election financing legislation to the municipal field.

The session was led off by Jim Anderson, from Saskatchewan, one of the provinces which had expressed an interest, and George Manios, from Ontario, speaking about this province's first experience with municipal election funding in the 1988 local voting. George is with the Ministry of Municipal Affairs. He was the researcher for the Johnston/Parisien advisory committee which toured the province and produced a report out of which the Ontario legislation was drafted. Some provinces are gradually becoming involved in municipal elections, particularly in the large urban areas, and therefore were interested in the experience of Ontario and Quebec.

Next year's annual meeting will be hosted by Newfoundland.

THE AMERICAN WAY

Recently, Gord Kushner, C.A., the Commission's executive director attended a three-day conference on campaign finances in Washington, D.C. The substance of the conference was discussed by various American politicians and political advisers. There was heavy emphasis on the role of PACs (political action committees), public funding and limits to expenses and contributions.

The environment in the U.S. is quite different from that of Canada. Campaigns are very expensive. A typical senate campaign can cost \$4 million and a congressman's campaign can cost \$400 thousand. PACs are very influential. There does not appear to be any great movement toward changing the status quo.

Anyone interested in more information about the conference should contact Gord.

OFF TO NAMIBIA

Jean Ouellet, the Commission's Registration and Communications Officer will be in Namibia as part of a United Nations team supervising and observing the general election there. His approximate stay will be from October 27 to November 20, 1988.

FRENCH LANGUAGE SERVICES ACT

Bill 8, the French Language Implementation Act guaranteeing all citizens of Ontario the right to communicate with the government and to receive services in French comes into effect on November 18, 1989.

In keeping with the Ontario Government's commitment to improve the accessibility and quality of services to francophone citizens the Commission has two full-time staff members who will provide a wide range of services in French. All of the Commission's forms and publications are available in both languages on request.

The Commission is committed to providing to the public both English language and French language services of equal quality.

Disponible aussi en français

Communist
Publications

CA20N

X 700

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the Dagmar
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*Election
Finance Reporter*

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VOL. 7 - NO. 1

JANUARY 1990

CHAIRMAN'S COLUMN

Calling all CFOs! Now is the time to gather together last year's financial records, and get them to your auditor before she or he is swamped with income tax work in April. Then there will be no possibility of missing the May 31 deadline for filing 1989 annual returns.

This deadline for filing is set out in the Election Finances Act. The Commission has passed the following motion: "Any association (or party) which has not filed an Annual Return postmarked on or before May 31, 1990 would be notified that the Commission proposes that the association (or party) be deregistered on June 30, 1990, and that the Commission would consider prosecution which might result in a fine of up to \$1,000 for an association (\$2,000 for a party)." This is your notification.

That's the law, and it's our job to work with you to see that it is upheld. So don't hesitate to call us if we can be of help. Start now, and there will be no problems.

If the Commission had a Hall of Fame, our first nominee would be Helen M. Corcoran, CFO of the Frontenac-Addington Liberal Association. Helen has been the CFO from 1979. Every year she has been the first to file her annual return. Yes, every year for the past 10 years! This year it arrived at our office in Toronto on January 3. Obviously, her auditor, Peter E. Sheppard, CA, of Kingston, has cooperated magnificently. However, Helen has now resigned for health reasons. We extend our best wishes and our congratulations for a job well done. Her record is a challenge to all CFOs. She has proven: it can be done ... within less than a week. So five months is really too long!

Sincerely,

Donald C. MacDonald
Chairman

CONTRIBUTIONS FROM A JOINT BANK ACCOUNT

Q. Who's name should appear on the official tax credit receipt when a cheque is drawn on a joint personal account?

A. If a cheque for a contribution is drawn on a joint personal bank account, the official tax credit receipt should be issued only to the person who signed the cheque. This will sometimes occur with a cheque drawn on a spousal joint bank account.

It should be noted that a political contribution tax credit may be claimed by either the contributor or the contributor's spouse. However, a single contribution for which one official receipt is issued cannot be divided between spouses.

OUTSTANDING DEPOSITS

Q. I know a contribution is deemed to be accepted when it is deposited. However, at year end I have some contributor's cheques on hand and in early January I received some cheques in the mail. What do I do?

A. Contributions received in an envelope postmarked on or before December 31, or, received on the last

day of the reporting period and which cannot be deposited in the current year because the financial institution is closed, should be reported in the reporting year as an outstanding bank deposit as of the last day of the year and receipts should be issued as accepted as of that date.

BY-ELECTION CONTRIBUTIONS

Q. How much may I contribute to a political party in a by-election campaign period?

A. In any year you may contribute \$4000 to each registered party.

In any campaign period (general election or by-election) you may contribute an additional \$4000.

Where writs for two or more by-elections bear the same date and provide for the same polling day, all such by-elections are deemed to be one election and therefore one campaign period.

FUND-RAISING AND FEDERAL PARTIES

Q. We held a fund-raising event and the federal constituency association purchased some tickets. How do we handle this?

A. The Election Finances Act prohibits contributions or transfer of funds to or from any political party, constituency association, candidate or leadership contestant not registered under the Election Finances Act. Therefore, you must return the money to the federal constituency association since it is not registered under the Act.

GOODS AND SERVICES

Q. One of our members donated a painting to be used as a doorprize for a fund-raising function. This isn't a cash contribution. Do we still issue a receipt?

A. You must first have the contributor give you a statement indicating the value of the painting. If the painting is worth more than \$100, you must issue a receipt to the contributor and, of course, record the transaction. If the painting is worth \$100 or less, at the option of the contributor, no receipt need be issued.

Keep in mind that contributed goods and services form part of the overall annual contribution limits of \$750 to any constituency association and \$4000 to any party.

CASH CONTRIBUTIONS

Q. Some of our contributors want to make contributions in cash, not by cheque. May we accept these contributions?

A. If the contribution is \$25 or less, it is acceptable. Otherwise, it must be by way of a cheque having the name of the contributor legibly printed thereon and drawn on an account in the contributor's name; a money order signed by the contributor; or, in the case of individuals, the use of a credit card having the name of the individual contributor imprinted or embossed thereon.

RECEIPTS FOR ALL CONTRIBUTIONS

Q. We receive a number of small contributions, often only \$5 or \$10. Must we issue a receipt for each?

A. Yes!

All contributions must be acknowledged by a receipt. The only exceptions are:

- at the option of the association, membership fees not exceeding \$25
- at the option of the association, the first \$25 of the price of a ticket for a fund-raising function

- loose collections of \$10 or less at a meeting

CHANGES IN REGISTERED INFORMATION

Q. We have appointed a new chief financial officer and a new auditor. Do we report these changes to the Commission?

A. Yes!

You have 30 days to inform the Commission in writing of any changes in:

- name of the constituency
- address where communications are to be directed and records are kept
- names of principal officers
- name of the chief financial officer
- names of all persons authorized to accept contributions
- the name and address of every financial institution used by the constituency association
- the names of signing officers for each account

RECEIPT INFORMATION

Q. We have received a cheque from a corporation with instructions to issue receipts to individuals. May we issue receipts as requested?

A. No!

Even if you receive written instructions, official receipts must be made out to the contributor who has actually made the contribution, in this case the corporation and not anyone else.

Q. What if the cheque is from a partnership and we have satisfied ourselves that it is from a partnership?

A. In that case, if the cheque is from a partnership and is supported by a list provided by the partnership of the names and addresses of the partners who participated in the contribution and their share of the contribution, may you issue receipts to individuals. You may never accept contributions from an unincorporated organization such as a partnership only from the individual partners.

SOLE PROPRIETORS

Q. We have a contribution from Joe's Repair Service which is not incorporated and is not a partnership. It is owned by Joe Smith. How do we make out the receipt?

A. The official receipt must be made out to Joe Smith.

UNIDENTIFIED CONTRIBUTOR

Q. We have received a cheque which does not have the name of the contributor printed on it. Should we accept this contribution?

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- The material must indicate that the funds raised are solely for the general purpose of the association.

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Disponible aussi en français



Election Finance Reporter

Commission on Election Finances
Commission sur le financement des élections
Ste. 800, 151 Bloor St. West, Toronto, Ontario M5S 1S4
(416) 965-0455

VOL. 7 - NO. 1

JANUARY 1990

CHAIRMAN'S COLUMN

Calling all CFOs! Now is the time to gather together last year's financial records, and get them to your auditor before she or he is swamped with income tax work in April. Then there will be no possibility of missing the May 31 deadline for filing 1989 annual returns.

This deadline for filing is set out in the Election Finances Act. The Commission has passed the following motion: "Any association (or party) which has not filed an Annual Return postmarked on or before May 31, 1990 would be notified that the Commission proposes that the association (or party) be deregistered on June 30, 1990, and that the Commission would consider prosecution which might result in a fine of up to \$1,000 for an association (\$2,000 for a party)." This is your notification.

That's the law, and it's our job to work with you to see that it is upheld. So don't hesitate to call us if we can be of help. Start now, and there will be no problems.

If the Commission had a Hall of Fame, our first nominee would be Helen M. Corcoran, CFO of the Frontenac-Addington Liberal Association. Helen has been the CFO from 1979. Every year she has been the first to file her annual return. Yes, every year for the past 10 years! This year it arrived at our office in Toronto on January 3. Obviously, her auditor, Peter E. Sheppard, CA, of Kingston, has cooperated magnificently. However, Helen has now resigned for health reasons. We extend our best wishes and our congratulations for a job well done. Her record is a challenge to all CFOs. She has proven: it can be done ... within less than a week. So five months is really too long!

Sincerely,

Donald C. MacDonald
Chairman

CONTRIBUTIONS FROM A JOINT BANK ACCOUNT

Q. Who's name should appear on the official tax credit receipt when a cheque is drawn on a joint personal account?

A. If a cheque for a contribution is drawn on a joint personal bank account, the official tax credit receipt should be issued only to the person who signed the cheque. This will sometimes occur with a cheque drawn on a spousal joint bank account.

It should be noted that a political contribution tax credit may be claimed by either the contributor or the contributor's spouse. However, a single contribution for which one official receipt is issued cannot be divided between spouses.

OUTSTANDING DEPOSITS

Q. I know a contribution is deemed to be accepted when it is deposited. However, at year end I have some contributor's cheques on hand and in early January I received some cheques in the mail. What do I do?

A. Contributions received in an envelope postmarked on or before December 31, or, received on the last

day of the reporting period and which cannot be deposited in the current year because the financial institution is closed, should be reported in the reporting year as an outstanding bank deposit as of the last day of the year and receipts should be issued as accepted as of that date.

BY-ELECTION CONTRIBUTIONS

Q. How much may I contribute to a political party in a by-election campaign period?

A. In any year you may contribute \$4000 to each registered party.

In any campaign period (general election or by-election) you may contribute an additional \$4000.

Where writs for two or more by-elections bear the same date and provide for the same polling day, all such by-elections are deemed to be one election and therefore one campaign period.

FUND-RAISING AND FEDERAL PARTIES

Q. We held a fund-raising event and the federal constituency association purchased some tickets. How do we handle this?

A. The Election Finances Act prohibits contributions or transfer of funds to or from any political party, constituency association, candidate or leadership contestant not registered under the Election Finances Act. Therefore, you must return the money to the federal constituency association since it is not registered under the Act.

GOODS AND SERVICES

Q. One of our members donated a painting to be used as a doorprize for a fund-raising function. This isn't a cash contribution. Do we still issue a receipt?

A. You must first have the contributor give you a statement indicating the value of the painting. If the painting is worth more than \$100, you must issue a receipt to the contributor and, of course, record the transaction. If the painting is worth \$100 or less, at the option of the contributor, no receipt need be issued.

Keep in mind that contributed goods and services form part of the overall annual contribution limits of \$750 to any constituency association and \$4000 to any party.

CASH CONTRIBUTIONS

Q. Some of our contributors want to make contributions in cash, not by cheque. May we accept these contributions?

A. If the contribution is \$25 or less, it is acceptable. Otherwise, it must be by way of a cheque having the name of the contributor legibly printed thereon and drawn on an account in the contributor's name; a money order signed by the contributor; or, in the case of individuals, the use of a credit card having the name of the individual contributor imprinted or embossed thereon.

RECEIPTS FOR ALL CONTRIBUTIONS

Q. We receive a number of small contributions, often only \$5 or \$10. Must we issue a receipt for each?

A. Yes!

All contributions must be acknowledged by a receipt. The only exceptions are:

- at the option of the association, membership fees not exceeding \$25
- at the option of the association, the first \$25 of the price of a ticket for a fund-raising function

- loose collections of \$10 or less at a meeting

CHANGES IN REGISTERED INFORMATION

Q. We have appointed a new chief financial officer and a new auditor. Do we report these changes to the Commission?

A. Yes!

You have 30 days to inform the Commission in writing of any changes in:

- name of the constituency
- address where communications are to be directed and records are kept
- names of principal officers
- name of the chief financial officer
- names of all persons authorized to accept contributions
- the name and address of every financial institution used by the constituency association
- the names of signing officers for each account

RECEIPT INFORMATION

Q. We have received a cheque from a corporation with instructions to issue receipts to individuals. May we issue receipts as requested?

A. No!

Even if you receive written instructions, official receipts must be made out to the contributor who has actually made the contribution, in this case the corporation and not anyone else.

Q. What if the cheque is from a partnership and we have satisfied ourselves that it is from a partnership?

A. In that case, if the cheque is from a partnership and is supported by a list provided by the partnership of the names and addresses of the partners who participated in the contribution and their share of the contribution, may you issue receipts to individuals. You may never accept contributions from an unincorporated organization such as a partnership only from the individual partners.

SOLE PROPRIETORS

Q. We have a contribution from Joe's Repair Service which is not incorporated and is not a partnership. It is owned by Joe Smith. How do we make out the receipt?

A. The official receipt must be made out to Joe Smith.

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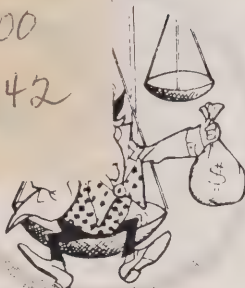
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CARON

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the Bagman

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SPECIAL ELECTION ISSUE # 1

AUGUST 1, 1990

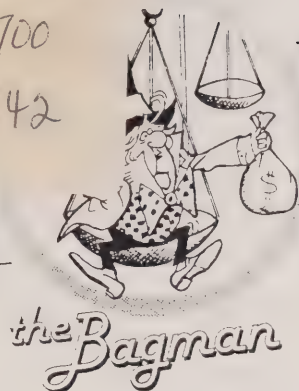
1. The Commission today has approved all of the Guidelines issued. Anyone who received new Guidelines with a special release dated July 23, 1990 should now discard the special release dated July 23, 1990.
2. In effect immediately, in every instance where goods or services have been provided, whether or not considered to be a contribution for the purposes of the Act, an expense in the equivalent value is considered to have been incurred. Guideline G35 provides information on contributed goods and services. The video previously sent out to all constituency CFO's contains a now incorrect reference to goods and services. All contributions of goods and services are to be treated as income and expense and unless provided for in the Act or Guidelines, will be considered to be a campaign expense subject to limitation.
3. What this means is that all contributed goods and services must be recorded and reported both as income and expenses. Official receipts, however, need not be issued if the aggregate contribution of goods and services is \$100.00 or less and the contributor does not want a receipt.
4. All candidates should register as soon as they are nominated by their constituency association. Candidates' campaigns may not accept contributions or incur any campaign expenses after the day of writ unless registered with the Commission. Only the candidate's chief financial officer may authorize campaign expenses and then only after the candidate is registered.
5. It is very important that the candidate's registration form be completed in full. An original form must be filed with the signature of the candidate and the signature of the CFO for the nominating constituency association.
6. Valuation of goods and services must be done at market value. If you are borrowing office furniture, equipment, cars, etc., you must attribute a rental value equivalent to the prevailing market prices for equivalent equipment for an equivalent period of time.

7. Campaigns that have material from a previous campaign available for use must report this material at replacement cost. All signs, brochures, supplies, etc., on hand at the start of the campaign must be valued and reported as a campaign expense. It is important to note, however, that all material which identifies a particular candidate is deemed to have no value at the end of this campaign. In other words, only reusable inventory which does not identify a particular candidate, on hand at the end of the campaign may be used to reduce campaign expense.
8. All political printed advertising, handbills, placards, posters and broadcast or telecast advertisements shall bear or make reference to the name of the registered constituency association, registered political party, person, corporation or trade union authorizing the political advertising. This includes everything - everything that can be seen, heard or read.
9. The Commission is considering a new Guideline regarding expenses of physically disadvantaged candidates. There will be more on this matter in the next issue of The Bagman.

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Election Finance Reporter

Commission on Election Finances
Commission sur le financement des élections
Ste. 800, 151 Bloor St. West, Toronto, Ontario M5S 1S4
(416) 965-0455

SPECIAL ELECTION ISSUE # 2

AUGUST 7, 1990

1. Everyone is reminded that the Commission's newly revised Guidelines are in full force and effect. By now all CFOs for registered constituency associations and registered candidates should have received a large 8 1/2" x 11" black binder. All previous guidelines should be discarded.
2. All contributed goods and services must be recorded both as income and as an expense regardless of the amount. Any goods or services contributed must be valued at fair market value. This includes the outright acquisition of goods and services and the use of goods or equipment. For example, if someone lends a photocopier or other equipment to your campaign, you must determine what the rental value of that equipment is and include it in your campaign. The entire transaction should be supported by a proper invoice or statement from the supplier.
3. A contributor may only contribute a maximum of \$750 to the campaign. This contribution limit includes all contributions whether in the form of cash, cheque, money order, credit card or goods and services.
4. All campaign material and advertising must make reference on it as to who authorized the material. The wording is not specifically described in the Act or the Guidelines. If you have any concerns as to the form of the authorization, please call the Commission for advice.
5. Candidates' campaigns must not commence media advertising prior to August 15, 1990. All media advertising must cease at midnight September 4, 1990. Of course, all such advertising must indicate who authorized it.
6. Any public event held during the campaign up to and including polling day will be considered a campaign expense. Therefore, the cost of picnics, barbecues, etc. if held between writ and polling day must be included as a campaign expense and will be subject to limitation. Associations and campaigns may wish, therefore, to reconsider holding such events and meetings during the campaign.

7. Later this month, the Commission will be shipping blank official candidate receipts to CFOs of all registered candidates. These are the only official receipts to be issued by the candidate's CFO and all contributions must be receipted. Constituency associations will still continue to issue constituency association official receipts for any contributions which the constituency accepts. It is very important that the CFO, for the candidate, only use official candidate receipts.
8. The limitation on campaign expenses does not apply to expenses incurred in holding a fund-raising activity. However, mail solicitation to potential contributors must be a genuine solicitation of funds and must not be a disguised form of campaigning.
9. We have noted that some candidates are listed on the registration as a person authorized to accept contributions. This is not allowed. The candidate must not accept contributions. Further, only the chief financial officer may sign receipts and make the deposits.
10. As described in Guidelines G.35.03, services performed voluntarily by an individual without compensation from the volunteer's employer or from any person, corporation or trade union, pursuant to an arrangement with the volunteer's employer, in excess of that which the volunteer would normally receive during the period of the voluntary service being performed is not considered to be a contribution.

Note that the services in this instance are those which are actually performed by the individual. For example, if a person volunteers to transport voters to the polls on polling day in the volunteer's own car, this is not considered a contribution. Similarly, if employees are given time off from their jobs in order to work voluntarily, this is not a contribution.

The situation is different, however, where a person provides a vehicle or a person donates office space. Neither constitutes a service that has been performed by the donor personally. Consequently the provision of the vehicle or the office space constitutes a contribution and, if provided in a campaign period, a campaign expense.

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SPECIAL ELECTION ISSUE # 3

AUGUST 16, 1990

1. The Commission has reviewed the matter of extra expenses incurred by physically disadvantaged candidates. As a result, Guideline G24 is amended to include the following wording:

.01a In addition to the exempt campaign expenses listed in paragraph .01 above, the Commission has ruled that expenses which are directly related to a candidate's physical disability (as defined in the Ontario Human Rights Code) also do not constitute campaign expenses. The Ontario Human Rights Code defines physical disability as follows:

"any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defect or illness, and without limiting the generality of the foregoing including diabetes mellitus, epilepsy, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a dog guide or on a wheel chair or other remedial appliance or device".

Thus reasonable expenses over and above those expenses that would have been incurred by those candidates not having any physical disability will be exempt as a campaign expense. For example, a candidate confined to a wheel chair may need special transportation services. A non-physically disadvantaged candidate would have the cost of a car. However, the physically disadvantaged candidate confined to a wheel chair may need a specially equipped mode of transportation. The additional cost of the specially equipped mode of transportation will be exempt as a campaign expense. Other special services such as a TDD/TTY telephone, the services of a "sign" interpreter or a wheel chair for a candidate with a physical disability will also be exempt as a campaign expense.

Act reference 1(1)

All exempt campaign expenses shall be recorded and reported.

2. Candidates are reminded that they must file nomination papers with the returning officer for their electoral district by August 23, 1990.

In addition, all candidates must register with the Commission on Election Finances before polling day and before the campaign incurs any expenses or accepts any contributions.

3. Only the Chief Financial Officer for the candidate shall authorize campaign expenses including expenses incurred by the constituency association.
4. Now that media advertising has commenced, remember that it must cease by midnight September 4, 1990. The only exceptions are:
 - (a) an advertisement on the day immediately preceding polling day in a newspaper which is published in Ontario not more frequently than once a week and whose day of regular publication falls on the day immediately preceding polling day,
 - (b) an advertisement advertising public meetings in constituencies, announcing headquarters locations, advertising for volunteers, announcing services for electors by candidates or constituency associations respecting enumeration and revision of list of electors, and, announcing services for electors on polling day such as drivers or babysitters for electors, provided such advertising meets the Commission's Guidelines and is not political campaigning, and,
 - (c) a campaign advertisement on the day immediately preceding polling day and on polling day through the use of any commercial billboard advertising facility, or in a public bus shelter or on a bus, street car or at a subway station forming part of a publicly-operated transit system.
5. The first shipment of candidate receipts were released today. These receipts are valuable documents and should be kept in a safe place. We will send more on request. All candidate CFOs should receive receipts by August 31.
6. Everyone is reminded that the Commission's newly revised Guidelines are in full force and effect. By now all CFOs for registered constituency associations and registered candidates should have received a large 8 1/2" x 11" black binder. All previous Guidelines should be discarded. The new Guidelines are available in French upon request.
7. All contributed goods and services must be recorded both as income and as an expense regardless of the amount. Any goods or services contributed must be valued at fair market value. This includes the outright acquisition of goods and services and the use of goods or equipment. For example, if someone lends a photocopier or other equipment to your campaign, you must determine what the rental value of that equipment is and include it in your campaign. The entire transaction should be supported by a proper invoice or statement from the supplier.
8. Voluntary unpaid labour is not considered to be a contribution or an expense. As well, any service actually performed for any political party, constituency association or candidate by an individual voluntarily, so long as such individual does not receive from his or her employer or from any person, corporation or trade union pursuant to an arrangement with the individual's employer, compensation in excess of that which he or she would normally receive during the period such service was performed is not considered to be a contribution or an expense.
9. All political printed advertising, handbills, placards, posters and broadcast or telecast advertisements shall bear or make reference to the name of the registered constituency association, registered political party, person, corporation or trade union authorizing the political advertising. This includes everything - everything that can be seen, heard or read.

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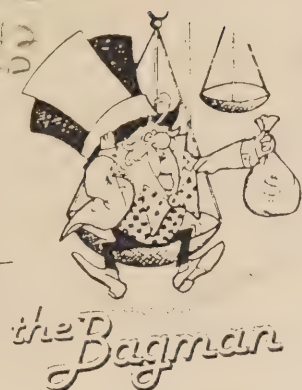
SPECIAL ELECTION ISSUE # 4

AUGUST 23, 1990

1. By now all candidates will have filed nomination papers and registered with the Commission. Any changes to the information filed in the candidate's registration form must be reported to the Commission immediately by filing a new registration form signed by the candidate. Be sure to report any change immediately. A blank candidate registration form is enclosed for your convenience should any changes have occurred.
2. All candidates will have received a letter confirming their registration and the effective date of the registration. Any contributions accepted by the candidate's chief financial officer prior to registration of the candidate must be returned to the contributor. If an official receipt was issued, it must be recovered first.
3. New Guidelines have been sent to all chief financial officers and auditors. If you have not received your new set (8 1/2" x 11" size) please notify us at once and a set will be sent to you.
4. Official candidate campaign receipts have been sent to all candidates' CFOs. These receipts are to be used only for the candidate's campaign. Additional receipts are available upon request. The receipts are valuable documents and should be kept in a secure place.
5. All expenses incurred for the campaign must be reported. However, some expenses are not subject to limitation. You should look at Guideline G24 which talks about campaign expenses. Guideline G25 explains the treatment of inventory. Guideline G05 and G11 provide information on and samples of campaign period financial statements. Expenses are categorized by function such as advertising, rent, telephone, etc., and further categorized as expenses subject to limitation and expenses excluded from the limitation. CFOs should set up their books and records so that the correct information is available for preparing financial statements.
6. Candidates have the same contribution limit as any other contributor -- \$750 to the campaign and \$750 to the registered constituency association. This limit includes contributions of cash, and by cheque, money order, or credit card and goods and services. Candidates who have spent personal funds for the campaign must either be reimbursed or receive a "goods and services" receipt if within the candidate's contribution limits.

7. All contributions accepted must be acknowledged by an official receipt. CFOs must also report contributors' names, addresses and amount contributed where the total contribution exceeds \$100. The financial statement form contains a schedule for reporting this information.
8. Where a registered candidate withdraws his or her candidacy prior to polling day or fails to file nomination papers with the returning officer under the Elections Act, 1984 or dies prior to polling day, the campaign period with respect to that candidate is deemed to expire on the day of the withdrawal of the candidacy, on nomination day or on the day of his or her death, whichever first occurs, and the chief financial officer for that candidate shall file with the Commission the statement referred to in section 43 within sixty days after the expiration of the campaign period with respect to that candidate.

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Vol. 8 Issue 1
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January 1991
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FURTHERMORE, **MAY 31** IS THE DEADLINE FOR FILING THE AUDITED ANNUAL FINANCIAL RETURNS OF RIDING ASSOCIATIONS AND PARTIES. DON'T BE LATE, FOR THE COMMISSION -- REPRESENTATIVES OF ALL PARTIES IN THE LEGISLATURE -- HAS AUTHORIZED PENALTIES IF THE LAW IS NOT UPHELD:

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correctible -- such as late filings, or what appears to be a calculated violation of the Act -- then the staff reports to the Commission which decides what, if any, penalty shall be imposed.

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and was replaced by Gordon Brigden, a former provincial secretary and director of organization.

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Following the 1990 election, the Commission reviewed the situation in light of the unprecedented number of apparent contraventions for which charges have been laid during the past year. The Act has been scrutinized from start to finish, and amendments have been drafted into a new piece of legislation. As this bulletin goes to print, we shall be reporting this up-to-date new draft Act to the Speaker.

The Commission's spokesperson in the Legislature is the

Government House Leader. She has assured us that with the receipt of the up-dated list of amendments, the government will proceed in the traditional way, by setting up an ad hoc committee, representative of all the parties in the Legislature. It will be the job of that Committee to review all the Commission's recommended amendments, and those that might come from any other source, and draft either an amending bill, or new legislation, for submission to each of the caucuses and the government.

Barring unforeseen circumstances, 1991 should see new Election Finances legislation, following which, the Commission will prepare up-dated Guidelines. There is a tabled motion that the Commission will then consider having prepared a new video to assist the volunteers in the field.



G.S.T. AND POLITICAL ORGANIZATIONS

As a result of numerous requests for information on

how the new Goods and Services Tax (G.S.T.) will affect political organizations in Ontario, we contacted Revenue Canada for more information. Revenue Canada in turn asked the Ministry of Revenue of Ontario to reply. On January 24, 1991 we received a letter from the Ministry which gave us some answers which we give you now.

Section 164 of Bill C-62, an Act to amend the *Excise Tax Act*, states that any amount that qualifies as a charitable donation or political contribution for income tax purposes is not considered to be payment for the supply of goods or services. Therefore, G.S.T. does not apply.

This means that G.S.T. does not apply to straight contributions or memberships in political parties. The fact that the contribution is under \$25 would not make a difference. G.S.T. does not apply to donations of money.

If a person pays \$100 for a fund-raising dinner and \$75 represents a political contribution, G.S.T. only applies to the balance of \$25 which represents the

cost of the dinner. Assuming tax-included pricing, the amount of G.S.T. payable would be 7/107th's of \$25 or \$1.64.

As indicated in the example of a fund-raising dinner, that portion of an event or sale not considered a political contribution for income tax purposes would be subject to G.S.T.

This includes those portions of ticket sales to dinners, social events, garage sales, auction sales, etc. not covered by a receipt for income tax purposes.

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Other than providing this information, the Commission on Election Finances is not involved in any way in registering vendors, collection of the G.S.T. or making rulings. Political parties and constituency associations should on their own take such action as is required

to comply with the provisions of Bill C-62.



INCOMPLETE FILINGS

There are many, the vast majority, in fact, who file complete returns on time. As the deadline of March 6, 1991 approaches for filing constituency association, party and candidate campaign period returns, (CR-3, CR-4, CR-1), keep in mind that the Commission will not accept as filed any returns which have any of the following deficiencies:

- ♦ returns submitted without the signed attestation of the Chief Financial Officer
- ♦ returns submitted without the signed auditor's report
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LOCAL GOVERNMENT ELECTIONS

Local government elections are scheduled to take place on November 12, 1991.

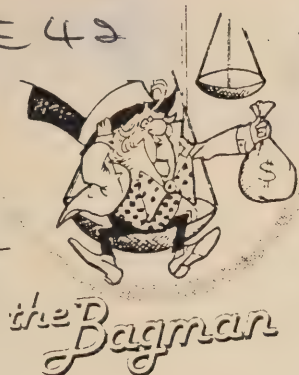
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- ♦ Municipality of Metropolitan Toronto
- ♦ North York Board of Education
- ♦ Oakville Public Utilities Commission
- ♦ Toronto Board of Education
- ♦ City of Toronto

Due to recent changes made to the *Municipal Elections Act* by Bill 16, the Commission has been given general enforcement responsibility for the non-tax credit or rebate provisions of the Act. We shall discuss more fully this extension of the Commission's responsibilities in our next Bulletin. Meanwhile, a reminder:

THE ELECTION FINANCES ACT AND THE MUNICIPAL ELECTIONS ACT PROHIBIT A REGISTERED PROVINCIAL POLITICAL PARTY, LOCAL RIDING ASSOCIATION OR LEADERSHIP CONTENDANT FROM MAKING CONTRIBUTIONS OR TRANSFERRING FUNDS TO LOCAL GOVERNMENT ELECTION CAMPAIGNS.

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- ◆ City of Toronto

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THE ELECTION FINANCES ACT AND THE MUNICIPAL ELECTIONS ACT PROHIBIT A REGISTERED PROVINCIAL POLITICAL PARTY, LOCAL RIDING ASSOCIATION OR LEADERSHIP CONTENDANT FROM MAKING CONTRIBUTIONS OR TRANSFERRING FUNDS TO LOCAL GOVERNMENT ELECTION CAMPAIGNS.

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Election Finance Reporter

Commission on Election Finances
Commission sur le financement des élections
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January 1992
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The filing of annual returns can be made anytime after January 1. The deadline is May 31. That's five months. Now let's be frank about this situation: surely five months is long enough. It has to be done sometime, so why not early--at least on time--rather than running the risk of being a late-filer.

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Further, the Commission will review each late-filing situation individually.

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name and address of the purchaser, in case it is necessary to issue a receipt to the purchaser. This will be determined as follows:

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However, a contributor can achieve the desired result simply by making two separate contributions. Both contributions can be made at the same time so long as separate cheques,

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NOTE: Contributions must only be made from the contributor's own funds and the receipt must be made out in the contributor's name as it appears on the cheque, money order or credit card regardless of any other direction received.

COST OF AUDIT SERVICES

The Commission has ruled that the "cost of auditors' services" under subsection 41(7) of the *Election Finances Act, 1986* will now include:

- Accounting services provided by the auditors
- Disbursements reasonably incurred in connection with the audit services provided, and
- Goods and Services Tax payable in connection with the provisions of any such service.

The amount of the maximum subsidy payable to auditors remains unchanged at \$400.

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This release dealt with the leadership guidelines and was provided only to political parties. Guidelines G12 to G16 and Form CR-5, Leadership Contestant Contest Period Financial Statement, were amended. All references requiring chief financial officers of leadership contestants to issue official receipts in acknowledgement of contributions accepted and all references restricting the activities of a leadership contestant before a leadership contest begins were removed. (January 1991)

Release Number 3

AUDITOR'S REPORT - AR-1

The Auditor's Report, page 3 of the Constituency Association's Annual Financial Statements, Form AR-1, was revised. This form follows page 14 of Guideline G06. (June 1990)

RESEARCH AND POLLING

Guidelines G24.01(g)(ii) and G24.01(g)(iii) have been amended. Research and Polling have been added to those campaign expenses that are subject to campaign expense limitations. On-going administrative expenses have been clarified. (July 1991)

MAIL SOLICITATION

Guideline G31, paragraph .09 has been amended to specify that any mail solicitations to potential contributors which include campaign literature or material such as pamphlets, will cause the mailing to be considered a campaign expense subject to limitation. (February 1991)

FUNDS SOLICITED FOR A SPECIFIC PURPOSE

Guideline G32.02(a) has been added to clarify Guideline G32 paragraph .02. While the Election Finances Act, 1986 does not prohibit a registered political party, constituency association or candidate from holding a function for a specific purpose - a purpose not within the general purposes of the Act - contributions received from this function do not qualify for official tax credit receipts. (February 1991)

Release Number 4

AUDITOR'S REPORT - AR-10

This was a special release to political parties. The Auditor's Report, page 3 of the Political Party's Annual Financial Statements, Form AR-10, was revised. (December 1991)

Individual Guidelines or a complete set of Guidelines may be ordered, without charge, from the Commission.

COMMISSION PUBLICATIONS

Other publications available on request, without charge, from the Commission are:

The Sixteenth Annual Report of the Commission on Election Finances for the year 1990

A Comparative Survey of Election Finances Legislation 1988

COGEL '92 CONFERENCE

In the week of September 21, the Council on Government Ethics Laws (COGEL) will be holding its annual conference in Toronto. Following a meeting in Quebec City in 1987, this is only the second time that this North American organization has met in Canada.

COGEL is an organization which brings together persons (at the federal, provincial/state or local levels of government) who are engaged in the administration of elections and compliance with ethical and conflict of interest guidelines or laws.

At the Quebec City conference attendance soared to over 200, and attendance this year from the United States and Canada is expected to exceed 300.

The Conference will be co-hosted by the Commission and Elections Ontario. Commission Chairman Donald C. MacDonald is Chairman of the Local Program Committee and Chief Election Officer Warren Bailie is responsible for the varied arrangements required for such an international gathering.

The local program committee (including representatives of the COGEL Steering Committee, headquartered in Kentucky but chaired this year by Ron Gould, Assistant Chief Election Officer of Canada), will meet in Toronto on February 3 to finalize the conference agenda. It will include an impressive array of Canadian and American speakers and panelists on which we shall report in a future edition of this newsletter.

If you are interested in attending, please contact this office for registration information.

CADON
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Guideline G31, paragraph .09 has been amended to specify that any mail solicitations to potential contributors which include campaign literature or material such as pamphlets, will cause the mailing to be considered a campaign expense subject to limitation. (February 1991)

FUNDS SOLICITED FOR A SPECIFIC PURPOSE

Guideline G32.02(a) has been added to clarify Guideline G32 paragraph .02. While the Election Finances Act, 1986 does not prohibit a registered political party, constituency association or candidate from holding a function for a specific purpose - a purpose not within the general purposes of the Act - contributions received from this function do not qualify for official tax credit receipts. (February 1991)

Release Number 4

AUDITOR'S REPORT - AR-10

This was a special release to political parties. The Auditor's Report, page 3 of the Political Party's Annual Financial Statements, Form AR-10, was revised. (December 1991)

Individual Guidelines or a complete set of Guidelines may be ordered, without charge, from the Commission.

COMMISSION PUBLICATIONS

Other publications available on request, without charge, from the Commission are:

The Sixteenth Annual Report of the Commission on Election Finances for the year 1990

A Comparative Survey of Election Finances Legislation 1988

COGEL '92 CONFERENCE

In the week of September 21, the Council on Government Ethics Laws (COGEL) will be holding its annual conference in Toronto. Following a meeting in Quebec City in 1987, this is only the second time that this North American organization has met in Canada.

COGEL is an organization which brings together persons (at the federal, provincial/state or local levels of government) who are engaged in the administration of elections and compliance with ethical and conflict of interest guidelines or laws.

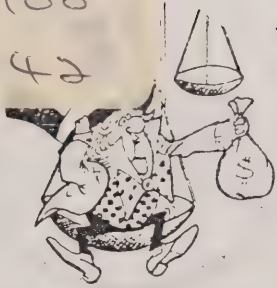
At the Quebec City conference attendance soared to over 200, and attendance this year from the United States and Canada is expected to exceed 300.

The Conference will be co-hosted by the Commission and Elections Ontario. Commission Chairman Donald C. MacDonald is Chairman of the Local Program Committee and Chief Election Officer Warren Bailie is responsible for the varied arrangements required for such an international gathering.

The local program committee (including representatives of the COGEL Steering Committee, headquartered in Kentucky but chaired this year by Ron Gould, Assistant Chief Election Officer of Canada), will meet in Toronto on February 3 to finalize the conference agenda. It will include an impressive array of Canadian and American speakers and panelists on which we shall report in a future edition of this newsletter.

If you are interested in attending, please contact this office for registration information.

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Election Finance Reporter

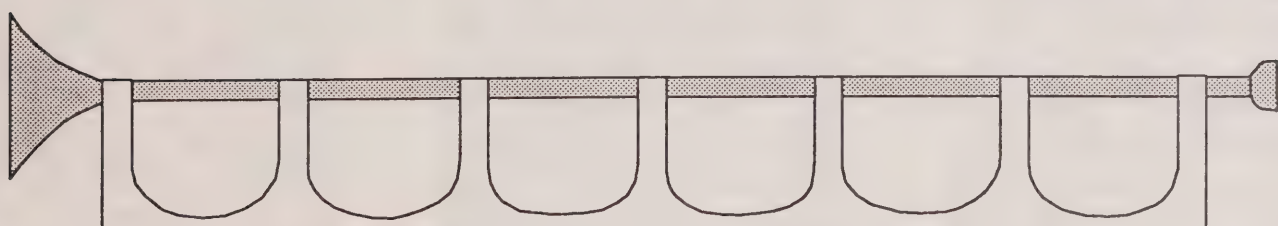
Commission on Election Finances
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Vol. 9 Issue 2
Disponible aussi en français

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MAY 31, 1992

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Twenty-five years ago the all-party (Barbeau) Committee on Election Expenses conducted the first comprehensive review of election finances in Canadian history. Its 1966 report provided not only the basis for the 1974 federal legislation, but an impetus for provincial initiative to establish some measure of regulation on election finances.

In February, 1992, the (Lortie) Royal Commission on Election Reform and Party Financing has produced a report which represents a comprehensive review of the state of election finances, and a rich cafeteria of choices for reform. While initially directed to the federal scene, its proposals are equally relevant for consideration at the provincial and territorial levels.

Of course, the Lortie Commission had the benefit of a generation of experience, plus extensive public consultation and an

extraordinary range of academic studies which will soon be available in 23 research volumes. The underlying thrust of the Lortie report is that, in seeking to achieve the greatest degree of electoral democracy, every stage of the process should be subject to public accountability and regulation.

This comprehensive approach is important because each of the 13 Canadian jurisdictions (ten provinces, two territories and the federal) has engaged in a piecemeal approach, leaving some components of the electoral process unregulated. Often the omission stems from a continuing adherence to the traditional view that election finances are an internal matter for party decision, and should not be subjected to statutory regulation.

This traditional view is at least a generation out of date. Increasingly, with a start in Quebec's Quiet Revolution in the early sixties, and later enacted by all other jurisdictions, laws have been passed which regulate election

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That gap is in pre-writ expenditures, including candidate nominating conventions. The current legislation is silent on the issue of nominating convention expenditures, but it stipulates that, once nominated, a candidate cannot spend any money until the election is called.

However, the candidate's riding association is free to spend on his or her behalf as much money as it wishes. All contributions accepted by the riding association prior to the candidate's registration are eligible for a tax credit.

The Lortie Commission recommends that, as with Ontario's current legislation, candidates should be forbidden to spend before the election is called, but that their riding association can spend on their behalf. However, it proposes that nominating conventions should not be ignored--rather, that they should be capped (at 10% of what the candidate would be able to spend in an election, e.g. about \$4,500), that there should be a filing of audited financial statements of revenues and expenditures, and that contributions to the nominating campaigns should be eligible for tax credits.

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It will be interesting to see how Canadian jurisdictions, including Ontario, respond to the Lortie Commission's recommendations. From Barbeau to Lortie--we have come a long way in assuring electoral democracy. The course for its full achievement has now been mapped out.

AD HOC COMMITTEE

The traditional practice has been that when the election finances legislation is reviewed, the first step is taken by an ad hoc committee representative of the parties in the Legislature. Such a

committee was appointed earlier this spring. It is being chaired by Evan Simpson, of Hamilton, the ONDP appointee. The Liberal member is Barbara Sullivan, MPP for Halton Centre; and the Conservative member is Tom Dyson, CA, of Richmond Hill.

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The current ad hoc committee held its organizational meeting in late April and the consultative process has begun. If anyone has a proposal which he, or she, feels would represent an improvement in the legislation, do not hesitate to present it, either

through the party of your choice, or directly, by writing to:

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c/o Chair of the
Ad Hoc Committee of
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Legislative Clerk
Queen's Park, Toronto,
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As soon as it is passed, the Commission will organize another teleconferencing workshop, using the legislative TV channel, as was done last November. Since this channel reaches all constituencies, it will provide an opportunity to discuss the changes in the legislation with, and respond to questions from, chief financial officers, riding executive members, auditors, and any interested volunteers.

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As a result of the repeal of Sections 12 and 45 of the *Election Finances Act, 1986* and consolidation of the statutes, the *Election Finances Act, 1986* has been renamed the *Election Finances Act* and new numbering of the sections has been put into place. For your assistance a comparative list of the former and the new section numbers has been prepared and is enclosed with this issue of the Bagman.

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MEMORANDUM TO: Users of Commission's Guidelines

FROM: Gordon H. Kushner, CA, Executive Director

DATE: April 30, 1992

TOPIC: Revised Election Finances Act, 1986

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Receipts For Contributions

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Paragraph .22 of Guideline G22 has been amended to reflect the Commission's position that attendance at political conventions, including Leadership Conventions sponsored by a registered political party or a constituency association and held within the Province of Ontario is part of the political process.

Costs associated with registration, travel, accommodation and meals may be considered a contribution for which an official tax receipt is issued.

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To ensure a "level playing field" for all candidates, the Commission ruled that each campaign should be treated as a "once in a life-time" event. To comply with current environmental guidelines a candidate is

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Fund-Raising Activities

Guideline G31

The Commission unanimously ruled that organized fund-raising activities must be held for the purpose of making a profit. Each organized activity will be reviewed individually to determine if the purpose of the activity was to realize a profit and therefore exempt it from those expenses subject to

campaign limitations. Paragraph .01 of Guideline G31 has been amended.

Lotteries And Games Of Chance

Guideline G40

Guideline G40 is a new guideline created to address lotteries and games of chance.

CHANGE IN REGISTRATION INFORMATION

It is very important that your constituency association is kept up-to-date on all Commission decisions, Guideline changes and any other information distributed by the Commission affecting your constituency association.

It is also a statutory requirement that the Commission be advised of any changes in your association's registration information.

If the information the Commission has on file is

out-of-date your association may not be informed of current changes to the Commission's guidelines, publications and administrative policies.

Enclosed with the issue of the Bagman sent to CFOs, is a blank Constituency Association Registration Form (Form A-1). If any of the information your association has on file with the Commission has changed, please complete this form and return it to the Commission as soon as possible.

PURCHASING PHOTOCOPIES OF FINANCIAL STATEMENTS

All financial statements filed with the Commission are public documents. These financial statements (returns) may be inspected or purchased by any person, upon request, at the offices of the Commission during normal office hours.

All requests are filled as quickly as possible.

Written or phone-in orders for *partial* financial statements *will not* be accepted. The whole financial statement must be purchased at a charge of \$1.00 per page.

Requests for *partial* returns *are allowed* if the request is made in person and the desired pages are properly identified. Reproductions will be made immediately at a charge of \$1.00 per page.

The Commission will accept payment in the form of cash, money order, or cheque. Requests received by phone or letter will be invoiced provided past invoices have been paid.

The information contained in the financial statements may not be used for commercial solicitation purposes.

FINANCIAL CONSTRAINTS

The Commission is proud of its unique record over the past five years with respect to significantly reducing its operating costs.

Because of innovative administrative procedures established by its Executive Director, the Commission reduced its staff from 15 to 11 personnel and has significantly reduced its office space.

This year, as a result of budget constraints imposed by the Legislature, we have decided to produce all of our publications in-house.

We will continue to look for more cost-effective ways to fulfil our mandate.

COGEL

14th Annual Conference

Toronto Hilton Hotel

September 22-25, 1992

(If you are interested in attending this conference please contact the Commission for registration information.)



The annual conference of the Council on Governmental Ethics Laws (COGEL) will be held at the Toronto Hilton Hotel, September 22-25. It will be hosted by the Election Finances Commission and the Office of the Ontario Chief Election Officer. This North American organization brings together persons involved in the administration of laws pertaining to ethics, conflict of interest, lobbying, freedom of information and elections.

This will be only the second time the conference is held in Canada, the first being in Quebec City in 1987. In attendance will be delegates from as far away as Hawaii and Alaska. This year a special effort is being made to attract the registration (even if only for one of the three days) of Canadians, particularly those involved in local government.

For example, the first day will have a distinctly Canadian flavour. It will be opened by Ron Gould, Assistant Chief Election Officer for Canada, who is chair of the COGEL Steering Committee this year. Information will be provided to the delegates by Donald C. MacDonald, chair of the COGEL Program Committee and Warren Bailie, who has been in charge of all conference logistics.

The first morning will feature a session dealing with an update and trends in US and Canadian freedom of information litigation and legislation. This will be of considerable interest because the Ontario freedom of information legislation has been extended to local governments and agencies. The panel will be made up of Shemin Manji, senior lawyer at the Ontario Freedom of Information Office, and Mitchell Pearlman, Executive Director of Connecticut's Freedom of Information Commission.

This will be followed by a session on "Ethics -- Local Government", where the panellists will be the Hon. David Cooke, Ontario's Minister of Municipal Affairs, who is currently shepherding through the Legislature, a bill dealing with local government conflict of interest, and Harriet McCullough, a Chicago consultant on municipal ethics issues.

The luncheon speaker will be Patrick Boyer, MP for Etobicoke-Lakeshore, a long-time advocate of electoral and parliamentary reform. He will be dealing with the unprecedented development of our federal parliament now considering reform in legislation for elections, lobbying and conflict of interest -- all without the provocation and/or impetus of scandal. Normally these matters have been grappled with by legislators only in the wake of a scandal. Included in his remarks will be reference to the proposals of the Lortie Royal Commission on Election Reform and Party Financing (dealt with more fully elsewhere in this issue), which are now being considered by a special committee of the House of Commons of which he is a member. Following his speech there will be a so-called "free-for-all session" in which Boyer and Jean-Pierre Kingsley, Canada's Chief Election Officer, will respond to comments, criticism and/or questions from the audience.

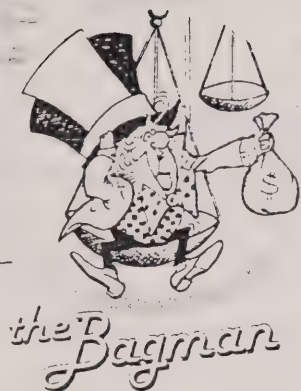
The afternoon will also feature a session dealing with the financing of local campaigns. The panellists will be, for the USA, Dr. Herbert Alexander, of the Citizen's Research Foundation at the University of Southern California; and for Canada, Helen Cooper, Mayor of Kingston, currently president of the Association of Municipalities of Ontario, and Jock Ferguson, of the Globe and Mail, who has done a great deal of investigative reporting on local campaign financing.

All of the above sessions will be held on what might be subtitled "Canada Day", because of its special emphasis on topics of interest to Canadians. But throughout, the panels provide participants with an interesting contrast between the American and Canadian legislation and administration.

The rest of the conference features outstanding speakers, such as, for the luncheon on the second day, Brooks Jackson, familiar to CNN viewers for his authoritative commentary on election financing, author of two books, *Honest Graft: Big Money and the American Political Process* and *Broken Promise: Why the Federal Election Commission Failed*. Opening the third day is David Butler of Nuffield College, England, a long-established authority on British politics, now a visiting scholar at Princeton University. Speaking at the closing luncheon will be Robert Bennett, a Washington lawyer who achieved international fame as special prosecutor for the so-called Keating Five Affair.

It will be an interesting and busy three days, but the conference hosts are making it possible for our American visitors to explore Toronto's recreational and cultural facilities. The spouses will be able to visit Niagara Falls and/or the McMichael Gallery while the conference is at work. Delegates and spouses will enjoy a banquet at Casa Loma on Awards Night. And everyone will be urged to come early and/or stay after the conference to enjoy the Blue Jays at the Sky Dome; visit the Royal Ontario Museum, the Ontario Art Gallery or the Science Centre; go to the theatre for The Phantom of the Opera, or Kiss of The Spider Woman; or perhaps just dine at the top of the CN Tower while viewing its extended panorama in the sunset skies.

Quebec City, with all its historic charm and scenic attractions, set a high standard at the first COGEL conference held in Canada. We hope to uphold that standard, perhaps even embellish it.



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Guideline G40 is a new guideline created to address lotteries and games of chance.

CHANGE IN REGISTRATION INFORMATION

It is very important that your constituency association is kept up-to-date on all Commission decisions, Guideline changes and any other information distributed by the Commission affecting your constituency association.

It is also a statutory requirement that the Commission be advised of any changes in your association's registration information.

If the information the Commission has on file is

out-of-date your association may not be informed of current changes to the Commission's guidelines, publications and administrative policies.

Enclosed with the issue of the Bagman sent to CFOs, is a blank Constituency Association Registration Form (Form A-1). If any of the information your association has on file with the Commission has changed, please complete this form and return it to the Commission as soon as possible.

PURCHASING PHOTOCOPIES OF FINANCIAL STATEMENTS

All financial statements filed with the Commission are public documents. These financial statements (returns) may be inspected or purchased by any person, upon request, at the offices of the Commission during normal office hours.

All requests are filled as quickly as possible.

Written or phone-in orders for *partial* financial statements *will not* be accepted. The whole financial statement must be purchased at a charge of \$1.00 per page.

Requests for *partial* returns are *allowed* if the request is made in person and the desired pages are properly identified. Reproductions will be made immediately at a charge of \$1.00 per page.

The Commission will accept payment in the form of cash, money order, or cheque. Requests received by phone or letter will be invoiced provided past invoices have been paid.

The information contained in the financial statements may not be used for commercial solicitation purposes.

FINANCIAL CONSTRAINTS

The Commission is proud of its unique record over the past five years with respect to significantly reducing its operating costs.

Because of innovative administrative procedures established by its Executive Director, the Commission reduced its staff from 15 to 11 personnel and has significantly reduced its office space.

This year, as a result of budget constraints imposed by the Legislature, we have decided to produce all of our publications in-house.

We will continue to look for more cost-effective ways to fulfil our mandate.

COGEL

14th Annual Conference

Toronto Hilton Hotel

September 22-25, 1992

(If you are interested in attending this conference please contact the Commission for registration information.)



The annual conference of the Council on Governmental Ethics Laws (COGEL) will be held at the Toronto Hilton Hotel, September 22-25. It will be hosted by the Election Finances Commission and the Office of the Ontario Chief Election Officer. This North American organization brings together persons involved in the administration of laws pertaining to ethics, conflict of interest, lobbying, freedom of information and elections.

This will be only the second time the conference is held in Canada, the first being in Quebec City in 1987. In attendance will be delegates from as far away as Hawaii and Alaska. This year a special effort is being made to attract the registration (even if only for one of the three days) of Canadians, particularly those involved in local government.

For example, the first day will have a distinctly Canadian flavour. It will be opened by Ron Gould, Assistant Chief Election Officer for Canada, who is chair of the COGEL Steering Committee this year. Information will be provided to the delegates by Donald C. MacDonald, chair of the COGEL Program Committee and Warren Bailie, who has been in charge of all conference logistics.

The first morning will feature a session dealing with an update and trends in US and Canadian freedom of information litigation and legislation. This will be of considerable interest because the Ontario freedom of information legislation has been extended to local governments and agencies. The panel will be made up of Shemin Manji, senior lawyer at the Ontario Freedom of Information Office, and Mitchell Pearlman, Executive Director of Connecticut's Freedom of Information Commission.

This will be followed by a session on "Ethics – Local Government", where the panellists will be the Hon. David Cooke, Ontario's Minister of Municipal Affairs, who is currently shepherding through the Legislature, a bill dealing with local government conflict of interest, and Harriet McCullough, a Chicago consultant on municipal ethics issues.

The luncheon speaker will be Patrick Boyer, MP for Etobicoke-Lakeshore, a long-time advocate of electoral and parliamentary reform. He will be dealing with the unprecedented development of our federal parliament now considering reform in legislation for elections, lobbying and conflict of interest – all without the provocation and/or impetus of scandal. Normally these matters have been grappled with by legislators only in the wake of a scandal. Included in his remarks will be reference to the proposals of the Lortie Royal Commission on Election Reform and Party Financing (dealt with more fully elsewhere in this issue), which are now being considered by a special committee of the House of Commons of which he is a member. Following his speech there will be a so-called "free-for-all session" in which Boyer and Jean-Pierre Kingsley, Canada's Chief Election Officer, will respond to comments, criticism and/or questions from the audience.

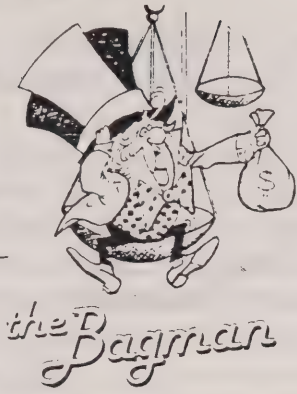
The afternoon will also feature a session dealing with the financing of local campaigns. The panellists will be, for the USA, Dr. Herbert Alexander, of the Citizen's Research Foundation at the University of Southern California; and for Canada, Helen Cooper, Mayor of Kingston, currently president of the Association of Municipalities of Ontario, and Jock Ferguson, of the Globe and Mail, who has done a great deal of investigative reporting on local campaign financing.

All of the above sessions will be held on what might be subtitled "Canada Day", because of its special emphasis on topics of interest to Canadians. But throughout, the panels provide participants with an interesting contrast between the American and Canadian legislation and administration.

The rest of the conference features outstanding speakers, such as, for the luncheon on the second day, Brooks Jackson, familiar to CNN viewers for his authoritative commentary on election financing, author of two books, *Honest Graft: Big Money and the American Political Process* and *Broken Promise: Why the Federal Election Commission Failed*. Opening the third day is David Butler of Nuffield College, England, a long-established authority on British politics, now a visiting scholar at Princeton University. Speaking at the closing luncheon will be Robert Bennett, a Washington lawyer who achieved international fame as special prosecutor for the so-called Keating Five Affair.

It will be an interesting and busy three days, but the conference hosts are making it possible for our American visitors to explore Toronto's recreational and cultural facilities. The spouses will be able to visit Niagara Falls and/or the McMichael Gallery while the conference is at work. Delegates and spouses will enjoy a banquet at Casa Loma on Awards Night. And everyone will be urged to come early and/or stay after the conference to enjoy the Blue Jays at the Sky Dome; visit the Royal Ontario Museum, the Ontario Art Gallery or the Science Centre; go to the theatre for The Phantom of the Opera, or Kiss of The Spider Woman; or perhaps just dine at the top of the CN Tower while viewing its extended panorama in the sunset skies.

Quebec City, with all its historic charm and scenic attractions, set a high standard at the first COGEL conference held in Canada. We hope to uphold that standard, perhaps even embellish it.



Election Finance Reporter

Commission on Election Finances
Commission sur le financement des élections
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CHAIRMAN'S REPORT

COUNCIL ON GOVERNMENTAL ETHICS LAWS 14th ANNUAL COGEL Conference SEPTEMBER 22- 25, 1992

CANADA DAY AT THE COGEL CONFERENCE

The 14th annual COGEL Conference, to be held at the Toronto Hilton Hotel, September 22-25, 1992, is a North American gathering which will feature sessions on ethics in public and corporate life, conflict of interest, freedom of information, lobbying, and election administration and financing. The panellists will be experienced people working in these fields. The plenary sessions will highlight distinguished national and international speakers.

The conference opens with what is very much of a Canada Day on Wednesday, September 23. Canadians play an important role as speakers and panellists, and the program deals with the broad range of our interests, particularly for those at the local government level. If desired, registration is possible for the one day only.

Continued on Page 4....

COMMISSION MEETING WITH ALTERNATIVE PARTIES

There are nine registered political parties in Ontario. The Election Finances Act stipulates that only those with representation in the Legislature shall have representation on the Commission, but the Commission works regularly with the six alternative parties.

In May, the Commission met with the alternative parties who had a number of concerns, among them the fact that they have no representation on the Commission. Collectively, they presented their proposals, and at its July meeting, the Commission responded. Both the proposals and the Commission's response have been passed on to the Ad Hoc Committee at Queen's Park, which is reviewing the election finances legislation.

The six alternative parties are: Communist Party of Canada (Ontario), Ontario Provincial Confederation of Regions Party, Family Coalition Party of Ontario, Freedom Party of Ontario, The Green Party of Ontario and the Ontario Libertarian Party.

POLICY ISSUES

Among the concerns raised with the Commission by the

alternative parties were a number of issues related to basic policy. It may be worthwhile to repeat once again that the Commission has no jurisdiction over policy; that is the exclusive prerogative of the Legislature. It is our job at the Commission to work with the parties and local volunteers to see that the rights and obligations of the Act are respected. Therefore, if a party or any individual, has views, pro or con, with regard to policy issues, they should be directed to the Legislature--at the moment, to the Ad Hoc Committee currently engaged in reviewing the legislation.

ALL COMPLAINTS MUST BE IN WRITING

If anyone feels that they have a complaint with regard to the administration of the Act, it should be submitted to the Commission, but it must be in writing and it must be signed by the complainant so as to avoid any misunderstanding. The Commission will respond. If the complaint deals with underlying policy issues, of course the Commission simply reminds the complainant that the issue does not lie within its jurisdiction. The Commission will advise the complainant to pass the complaint on to the Legislature.

BROADCAST REGULATIONS

The question of a fair allocation of air time on television and radio to political candidates is often a matter of dispute, during and between elections. Not surprisingly, complaints related to this allocation are sometimes made to the Commission. At its July meeting, after a review of relevant legislation, Commission's Counsel reported that the question of the allocation of air time comes under the exclusive jurisdiction of the federal authority--the Canadian Radio-television & Telecommunication Commission.

However, the Commission may deal with the provision of political advertising, by way of print and some aspects of broadcasting, where it does not involve the regulation of the broadcasting facility itself. This subject is addressed in section 22 of the Election Finance Act.

Another question which also arises is the provision of meeting space and accompanying facilities for candidates' meetings and debates. Should these facilities be considered as a contribution from, for example, the ratepayers or business organization which sponsored the meeting?

The Commission is persuaded that the issue of the provision of facilities for candidates' meetings and debates ought to be clarified, and it has recommended to the Ad Hoc Committee of the Legislature, currently reviewing the Election Finances Act, that the provision of facilities provided to two or more registered candidates to speak to election issues should not constitute a contribution.

In the Commission's view, where two or more candidates speak at a meeting or debate with each other, the event can be characterized as non-partisan and, hence, similar to other exceptions to the "contribution" definition, such as bona fide news reporting and leadership debates.

FUNDS SOLICITED FOR A SPECIFIC PURPOSE

To qualify for an official tax-credit receipt funds must be solicited for the general use of a registered constituency association, political party or candidate. There is no limitation contained in the Act which would constrain the purpose to which a registered constituency association, political party or candidate applied any moneys raised through a general fund-raising event.

Detailed records must be kept for all funds received

and spent relating to a fund-raising event.

Contributions solicited for a specific purpose are permitted, but do not qualify for official tax-credit receipts. A separate record must be kept for all funds received and spent relating to specific purposes.

In February 1991 paragraph G32.02(a) was added to Guideline G32 to clarify this requirement of the Election Finances Act.

AUDIT SUBSIDY

The Election Finances Act provides for a subsidy of up to \$400 to auditors of constituency associations. Keep in mind that it is a subsidy and not the maximum fee that can be charged. Auditors may and frequently do charge more for their services.

For the 1991 filings the largest audit fee charged to a constituency association was \$4,173. The average audit fee charged was \$560.72. In 1991 the Commission paid \$206,349.08 in audit subsidies.

The Commission also pays the GST if it is included in the fee charged and the fee and the GST combined are \$400 or less. For example:

<u>Audit Fee</u>	<u>\$</u> <u>GST</u>	<u>\$</u> <u>Total Fee</u>	<u>\$</u> <u>Subsidy Paid</u>
200.00	14.00	214.00	214.00
373.83	26.17	400.00	400.00
400.00	28.00	428.00	400.00
3,900.00	273.00	4,173.00	400.00

IN-HOUSE SEMINARS

The Commission will annually hold a television seminar using the facilities of the Legislative Assembly channel available on all cable TV systems in Ontario.

However, the Commission's staff is available to attend party annual or regional meetings and present in-house seminars. If you wish to have a private seminar and if sufficient numbers would be attending to make it worthwhile, contact Gord Kushner at the Commission.

COMMISSION MEMBERSHIP

Penny Dickens, one of the New Democratic Party nominees on the Commission, assumed the position of vice-chair as of May 31, 1992. She succeeds Hugh Mackenzie, one of the Progressive Conservative nominees. The vice-chair is rotated among the three parties with representation on the Commission. This will be Penny's second term as vice-chair and she brings to the position extensive experience.

Gordon Brigden, the second ONDP nominee has been a Commission member for over two years. Gordon has resigned for personal reasons. As we go to press, his successor has not as yet been named.

CANADA DAY AT THE COGEL CONFERENCE

Continued from Page 1....

Presiding over the conference will be the COGEL Steering Committee chair, Ron Gould, Canada's Assistant Chief Electoral Officer and the myriad of details in conference activities will be handled by host Warren Bailie, Ontario's Chief Election Officer and Program Convenor, Donald C. MacDonald, Election Finances Commission chair. There will be a distinctly Canadian touch with the welcome invocation being given in a sweet-grass ceremony by aboriginal peoples from the Native Centre in Toronto.

The morning will provide three concurrent sessions: the first two--take your choice--will be legislation and litigation in the fields of election finance and freedom of information; the third will feature Ontario's new field of ethics legislation for local government, with The Honourable Dave Cooke, Ontario's Minister of Municipal Affairs, sharing a panel with experienced American ethicists.

The luncheon session will feature Patrick Boyer, MP for Etobicoke-Lakeshore, speaking on Canada's mix of reform in elections, conflict of interest and lobbying. It will be followed by a free-for-all session in which Boyer and Jean-Pierre Kingsley,

Canada's Chief Electoral Officer, will respond to questions and comments.

The afternoon will also offer three concurrent sessions--again take your choice: one on ethics legislation, featuring The Honourable G.T. Evans, Ontario's Conflict of Interest Commissioner; second, a panel dealing with effective outreach to the field worker featuring Gordon Kushner, Election Finances Commission's Executive Director, and Peter Bowers, Chief Operating Officer of TVO; and third, financing local government campaigns, with Dr. Herbert Alexander, a leading American authority in the field, sharing a panel with Helen Cooper, President of the Association of Municipalities of Ontario and Jock Ferguson of the Globe & Mail.

After that bonanza of offerings, delegates will welcome the free evening to sample Toronto's recreation and restaurant fare. But the next two days are equally rewarding, as the accompanying COGEL pamphlet details. Canadians will participate in the panels for every one of the sessions.

Registration fees received before August 31 (formerly August 15) for the full conference are \$375 US for non-COGEL members. The registration fee covers two receptions, three breakfasts, three lunches and one dinner. That dinner is the banquet at

Casa Loma on Thursday evening. Registration for one day is possible at \$115 Canadian, excluding meals. The conference will provide a rich opportunity to share experiences with American colleagues working in the same field of endeavour.

MUNICIPAL ELECTIONS ACT REVIEW

A review of the Municipal Elections Act is under way.

The focus of this review is to identify and evaluate issues of substance arising out of the 1991 municipal electoral process and develop recommendations for the consideration of The Honourable Dave Cooke, Minister of Municipal Affairs.

A report will be submitted to the Minister by December 31, 1992. If necessary, the report will include proposed draft amendments to the Act.

Given the limited time-frame it will not be possible to undertake a clause-by-clause review or a wholesale rewrite of the Act.

Comments and proposals aimed at improving and strengthening the integrity of the local government electoral process are welcomed.

Submit written proposals to George Manios, Director of Policy and Communications at the Commission by September 30, 1992.

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Election Finance Reporter



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December 1992
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CHAIRMAN'S REPORT

DON'T BE A LATE FILER

As every CFO, riding president and MPP knows, their riding association has a statutory obligation to file an audited financial return, the AR-1 form, setting out income and expenditures. The return covers the calendar year, and the deadline for filing is May 31.

That means after the New Year there is a five-month period to get the job done. Long enough you'd think. And yet, last year, 10% of the 541 riding associations failed to meet the deadline. The breakdown of the 53 late-filers was as follows:



<u>Late Filers:</u>	
Conservatives	13
Liberals	9
Family Coalition	9
New Democrats	7
Greens	6
Confederation of Regions	6
Communist	3

Continued on Page 2...

LATE FILER Cont...

We don't wish to appear threatening. We recognize that CFOs are volunteers; they have many other obligations. But the law requires that this audited financial return must be made. And you have five months to do it. Why not sooner, rather than later?

What are the consequences for late-filing? Herewith are minutes from the Commission meeting of November 25:

It was moved, seconded and unanimously carried that the following motions for deregistration be approved:

Any association which has not filed a Constituency Association Annual Return, form AR-1 postmarked on or before May 31, 1993 would be notified by registered mail that the Commission proposes that the association be deregistered on June 30, 1993 and that the Commission would consider prosecution which might result in a fine of up to \$1,000.00, unless prior to that date the return has been filed. Further, that this policy be communicated to all association chief financial officers and auditors by means of a special bulletin.

Further, the Commission will review each late-filing situation individually.

The AR-1 Form is now available on the 5.1 version of WordPerfect. We will provide you with a 5¼" disc on request.

ANOTHER COURT DECISION



In March of 1989 the Commission received reports concerning alleged contraventions of the Election Finances Act by the former chief financial officer of the Hamilton Centre Provincial Liberal Association, Paul DiMattia. At the Commission's request, the Ontario Provincial Police conducted a police investigation and filed a report with the Commission. Following its consideration of this report, the Commission granted its consent to prosecute Mr. DiMattia and authorized the Executive Director of the Commission to institute the necessary proceedings under the Act. Mr. DiMattia was charged with three counts involving the acceptance of contributions in excess of the limit of \$750 on behalf of the constituency association.

Section 18 of the Act provides that "contributions by any person to constituency associations registered under this Act are limited to and shall not

exceed, in any year, \$750 to any registered association". Section 28 of the Act provides that no person on behalf of a registered constituency association shall knowingly accept any contributions in excess of the limits imposed by the Act. Section 48 provides that every person that contravenes any of the provisions of the Act is guilty of an offence and on conviction is liable to a fine of not more than \$1,000.

The prosecution of the charges instituted by the Commission were conducted by a Hamilton Crown Attorney.

One of the pre-trial motions brought by counsel for Mr. DiMattia involved the argument that the Information sworn by the Executive Director of the Commission did not contain, in the proper form, the consent of the Commission to the prosecution being launched. The consent of the Commission to any prosecution is required by section 53 of the Act. The Ontario Court of Appeal held, with respect to this preliminary issue, that the Information of the Executive Director attesting to the fact that the Commission has consented to the institution of the prosecution was valid and that the trial should proceed. When the matter came back for trial before a Justice of the Peace on September 30, 1992,

Mr. DiMattia pleaded guilty to two of the three counts. The third charge was withdrawn. Following the plea of guilty, Mr. DiMattia was convicted of two counts of knowingly accepting contributions on behalf of the Hamilton Centre Provincial Liberal Association in excess of the limit of \$750 imposed by section 18(1) of the Act, contrary to sections 28 and 48 of the Act. Mr. DiMattia was fined \$100 on each count.

It is the Commission's obligation to deal with every apparent contravention of the Election Finances Act. If the contravention is inadvertent, or of small consequence, it is the Commission's long-time practice not to proceed with charges. However, if the contravention was made knowingly -- as confirmed by DiMattia's voluntary plea of guilty in this case -- then the Commission usually proceeds with charges. Such action is designed solely as a reminder to all involved that the Election Finances Act is the law, and the law must be upheld.

HELP FOR CFO DISTRESS SYNDROME



The prospect of filling out tax credit receipts is one which can provoke an anxiety attack, induce a feeling of overwhelming exhaustion or bring on a spell of indefinite procrastination.

Please read on, for the following hot tips and reminders have been designed to help alleviate this CFO distress syndrome.

Be sure to have these items ready:

- a) *the blank receipt forms*
- b) *photocopies of the contribution cheques*
- c) *the bank deposit book*
- d) *a soothing beverage*
- e) *your favourite music (optional)*

You can now begin.

The first cheque you pick up is from Joe and Mary Brown, signed by Mary Brown and, according to the deposit book, was deposited into the association's bank account on April 14, 1992. This then is the *accepted date* which will be entered on the receipt. As a receipt for a contribution drawn on a joint account can only be made out to the person who signs the cheque, Mary Brown will be the designated contributor for this receipt.

That was easy - on to the next one.

The next cheque you pick up is from ABC Company. Here is your first challenge, for the company name does not indicate whether or not it is a corporate entity. This one will require a phone call to the company. A responsible person there should be able to tell you the full legal name of the business which could

be *one* of the following:

- a) *ABC Company Limited*
- b) *ABC Company Incorporated*
- c) *123456 Ontario Ltd. (o/a ABC Company)*
or
- d) *A Division of XYZ Corporation*

This *full legal corporate name* is the one to be entered on the receipt.

However, you may discover from your phone call that ABC Company is not incorporated but is a *sole proprietorship* owned by Harry Black. Harry Black will be the name that appears on the receipt which will be marked an individual contribution.

Now that wasn't too difficult.

The third cheque is from a trust company and the name does not indicate whether it is limited or incorporated. What to do? Do not fret, there are some instances where the full legal corporate name does not end with the Ltd. Inc. designation.

This is the case with financial institutions, insurance companies and some not-for-profit organizations incorporated without share capital.

The following cheque is from P, Q, R and Associates. This name should alert you to the likelihood that this firm is a *partnership*. So you know right away that you cannot

issue the receipt in the name of the firm but must have the firm advise you which partners participated in the contribution and the share of each. Now you can issue individual contribution receipts to each of the partners who shared in the contribution.

You are doing really well.

Take a deep breath and plunge on to cheque number five. Now here's a real puzzler. This cheque is drawn on an account called Mr. Alphabets "In Trust". Generally speaking when you receive a contribution cheque drawn on an account designated "In Trust" it must be returned to its source as an ineligible contribution. The only exception is the case of the specific bequest made in a person's will which will result in the contribution cheque being drawn on an "In Trust" account.

And so to the sixth contribution which is from The Someplace Gardening Association. You discover that this is an *unincorporated association*. You can try to determine the name of each member who participates in this organization and issue each a receipt for his or her share but you may find the easiest solution is to return the cheque as the association itself is not eligible to receive a tax credit receipt.

You are wilting by now so

we will deal with only one more contribution. This is from ABC Home Care Society Ltd. Looks all right on the surface, doesn't it? But a phone call alerts you to the fact that this is an organization that has *charitable status*. Such bodies are prohibited from making political contributions so, albeit with regret, you must return this cheque.

Of course, the foregoing does not cover every type of contribution you will run across but it is fairly comprehensive. Set aside those cheques about which you may have a query. Then before writing the receipts pick up the phone and call the Commission. A staff member will be most pleased to help you with any question you have no matter how trivial it may appear.

Ladies and gentlemen, well done.



LAST MINUTE CONTRIBUTIONS

The Election Finances Act and Guideline G04 - paragraphs .18 and .19 advise that all contributions must be deposited in the association's bank account and official receipts issued, with the acceptance date being the date of the deposit.

However, some cheques for 1992 contributions may arrive on December 31, 1992 or within the first few days of January 1993. These must be postmarked December 31, 1992 or earlier. You should deposit these funds within the first few banking days of 1993.

These deposits will be recorded in your 1992 records and reported as 1992 income as if they had been made on December 31, 1992. The official tax receipts will bear the accepted date of December 31, 1992.

TIP

It is a good idea to photocopy all cheques received before you deposit them. It is also a good idea to keep the postmarked envelopes in which last minute 1992 contributions were delivered so that you can justify their inclusion as 1992 contributions.



NEW
A-1
FORM

CFOs and Presidents will receive, along with this issue of the Bagman, a blank copy of the newly revised Constituency Association Registration and Change Notice Form A1. The form

remains basically the same although we have reduced it to one double-sided page.

Sections 1 to 9 *must* be completed fully for *any change* of information for your association and the revised form must be forwarded to the Commission as quickly as possible. Not only is this a statutory requirement, but essential if we are to provide you with current information and initiate contact when required.

RENUMBERING OF THE ACT

As a result of the repeal of Sections 12 and 45 and a consolidation of the Statutes of Ontario, the Election Finances Act, 1986 has been renamed the Election Finances Act and the sections renumbered accordingly. All "Act" references in the Commission's guidelines and publications refer to the former Election Finances Act, 1986. Because of pending amendments to the Act we are not revising the guidelines and other publications at this time.

The Commission will quote both acts in all correspondence. For example, "... as per section 42 of the Election Finances Act, 1986, (section 41 of the Election Finances Act, RSO 1990)..."

WELCOME!



Jack Murray, an NDP nominee, has become a member of the Election Finances Commission. He replaces Gord Brigden who resigned last summer.

Jack is a former provincial secretary of the New Democratic Party. He is superintendent of Capital Program and Financing for the Metropolitan Toronto School Board.

Six of the nine members of the Commission are nominees, two from each of the three parties in the Legislature. The other three members are the Chief Electoral Officer, a Bencher of the Law Society of Upper Canada and the Chair.

THE COMMISSON WAS THERE!

On November 7, 1992, two members of the Commission staff attended the Ontario Liberal Party's Annual General Meeting held at The Regal Constellation Hotel in Toronto. They were Julie Fleming our Assistant Registration and Communications Officer and Daphne Check one of our Compliance Officers. Both Julie and Daphne reported that this was a very positive experience and thoroughly

enjoyed meeting with the CFO's and Presidents in a "face to face" situation, which appeared to be equally appreciated by the many volunteers attending the meeting. The Commission is always happy to be able to participate in these kinds of events and hopes that the other parties will consider inviting members of our staff to attend similar events in the future.

COGEL

The 1992 COGEL (Council on Government Ethic Laws) Conference, hosted by the Ontario Election Office and the Commission on Election Finances, was by all accounts a resounding success.

Despite cutbacks and fiscal restraints of all the agencies involved, attendance held. The program provided a balance of sessions for the four or five interest groups in the COGEL membership. Dolores Colbourg, of Montana, the new Chair of the Cogel Steering Committee, has stated that the speakers for the plenary sessions were the best ever. And the Conference came out with enough of a surplus to cover last year's deficit, plus a contribution to the Canadian-controlled International Fund which was set up after the 1987 COGEL Conference in Quebec City produced a surplus.

OUR TEAM

If you have any questions about election finances in Ontario, give us a call. The Commission's staff is always available to assist you. Our office hours are Monday to Friday, 8:30 a.m. to 4:30 p.m. The Commission accepts station-to-station collect calls from outside the Toronto area. If you call us outside of our regular office hours please leave your name and telephone number on our answering machine and we will return your call as quickly as possible. We can also be contacted by fax or by mail. Keep in touch.

<i>Chair</i>	<i>Donald C. MacDonald</i>
<i>Executive Director</i>	<i>Gordon H. Kushner, CA</i>
<i>Director of Policy and Communications</i>	<i>George Manios</i>
<i>Financial Filing Officer</i>	<i>Roy S. Snider, CA</i>
<i>Compliance Officer I</i>	<i>Daphne Check</i>
<i>Compliance Officer II</i>	<i>Eileen De Calderón</i>
<i>Secretary to the Commission/ Registration & Communications Officer</i>	<i>Donna Aceto</i>
<i>Assistant Registration & Communications Officer</i>	<i>Julie Fleming</i>
<i>Administrative Assistant to the Chair/Office Manager</i>	<i>Louise Pequenezza</i>
<i>Administrative Assistant to the Executive Director</i>	<i>Maria Bereczki</i>
<i>Administrative Assistant/Reception Coordinator</i>	<i>Marline Harrison</i>

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What are the consequences for late-filing? Herewith are minutes from the Commission meeting of November 25:

It was moved, seconded and unanimously carried that the following motions for deregistration be approved:

Any association which has not filed a Constituency Association Annual Return, form AR-1 postmarked on or before May 31, 1993 would be notified by registered mail that the Commission proposes that the association be deregistered on June 30, 1993 and that the Commission would consider prosecution which might result in a fine of up to \$1,000.00, unless prior to that date the return has been filed. Further, that this policy be communicated to all association chief financial officers and auditors by means of a special bulletin.

Further, the Commission will review each late-filing situation individually.

The AR-1 Form is now available on the 5.1 version of WordPerfect. We will provide you with a 5¼" disc on request.

ANOTHER COURT DECISION



In March of 1989 the Commission received reports concerning alleged contraventions of the Election Finances Act by the former chief financial officer of the Hamilton Centre Provincial Liberal Association, Paul DiMattia. At the Commission's request, the Ontario Provincial Police conducted a police investigation and filed a report with the Commission. Following its consideration of this report, the Commission granted its consent to prosecute Mr. DiMattia and authorized the Executive Director of the Commission to institute the necessary proceedings under the Act. Mr. DiMattia was charged with three counts involving the acceptance of contributions in excess of the limit of \$750 on behalf of the constituency association.

Section 18 of the Act provides that "contributions by any person to constituency associations registered under this Act are limited to and shall not

exceed, in any year, \$750 to any registered association". Section 28 of the Act provides that no person on behalf of a registered constituency association shall knowingly accept any contributions in excess of the limits imposed by the Act. Section 48 provides that every person that contravenes any of the provisions of the Act is guilty of an offence and on conviction is liable to a fine of not more than \$1,000.

The prosecution of the charges instituted by the Commission were conducted by a Hamilton Crown Attorney.

One of the pre-trial motions brought by counsel for Mr. DiMattia involved the argument that the Information sworn by the Executive Director of the Commission did not contain, in the proper form, the consent of the Commission to the prosecution being launched. The consent of the Commission to any prosecution is required by section 53 of the Act. The Ontario Court of Appeal held, with respect to this preliminary issue, that the Information of the Executive Director attesting to the fact that the Commission has consented to the institution of the prosecution was valid and that the trial should proceed. When the matter came back for trial before a Justice of the Peace on September 30, 1992,

Mr. DiMattia pleaded guilty to two of the three counts. The third charge was withdrawn. Following the plea of guilty, Mr. DiMattia was convicted of two counts of knowingly accepting contributions on behalf of the Hamilton Centre Provincial Liberal Association in excess of the limit of \$750 imposed by section 18(1) of the Act, contrary to sections 28 and 48 of the Act. Mr. DiMattia was fined \$100 on each count.

It is the Commission's obligation to deal with every apparent contravention of the Election Finances Act. If the contravention is inadvertent, or of small consequence, it is the Commission's long-time practice not to proceed with charges. However, if the contravention was made knowingly -- as confirmed by DiMattia's voluntary plea of guilty in this case -- then the Commission usually proceeds with charges. Such action is designed solely as a reminder to all involved that the Election Finances Act is the law, and the law must be upheld.

HELP FOR CFO DISTRESS SYNDROME



The prospect of filling out tax credit receipts is one which can provoke an anxiety attack, induce a feeling of overwhelming exhaustion or bring on a spell of indefinite procrastination.

Please read on, for the following hot tips and reminders have been designed to help alleviate this CFO distress syndrome.

Be sure to have these items ready:

- a) *the blank receipt forms*
- b) *photocopies of the contribution cheques*
- c) *the bank deposit book*
- d) *a soothing beverage*
- e) *your favourite music (optional)*

You can now begin.

The first cheque you pick up is from Joe and Mary Brown, signed by Mary Brown and, according to the deposit book, was deposited into the association's bank account on April 14, 1992. This then is the *accepted date* which will be entered on the receipt. As a receipt for a contribution drawn on a joint account can only be made out to the person who signs the cheque, Mary Brown will be the designated contributor for this receipt.

That was easy - on to the next one.

The next cheque you pick up is from ABC Company. Here is your first challenge, for the company name does not indicate whether or not it is a corporate entity. This one will require a phone call to the company. A responsible person there should be able to tell you the full legal name of the business which could

be *one* of the following:

- a) *ABC Company Limited*
- b) *ABC Company Incorporated*
- c) *123456 Ontario Ltd. (o/a ABC Company)*
or
- d) *A Division of XYZ Corporation*

This *full legal corporate name* is the one to be entered on the receipt.

However, you may discover from your phone call that ABC Company is not incorporated but is a *sole proprietorship* owned by Harry Black. Harry Black will be the name that appears on the receipt which will be marked an individual contribution.

Now that wasn't too difficult.

The third cheque is from a trust company and the name does not indicate whether it is limited or incorporated. What to do? Do not fret, there are some instances where the full legal corporate name does not end with the Ltd. Inc. designation.

This is the case with financial institutions, insurance companies and some not-for-profit organizations incorporated without share capital.

The following cheque is from P, Q, R and Associates. This name should alert you to the likelihood that this firm is a *partnership*. So you know right away that you cannot

issue the receipt in the name of the firm but must have the firm advise you which partners participated in the contribution and the share of each. Now you can issue individual contribution receipts to each of the partners who shared in the contribution.

You are doing really well.

Take a deep breath and plunge on to cheque number five. Now here's a real puzzler. This cheque is drawn on an account called Mr. Alphabets "In Trust". Generally speaking when you receive a contribution cheque drawn on an account designated "In Trust" it must be returned to its source as an ineligible contribution. The only exception is the case of the specific bequest made in a person's will which will result in the contribution cheque being drawn on an "In Trust" account.

And so to the sixth contribution which is from The Someplace Gardening Association. You discover that this is an *unincorporated association*. You can try to determine the name of each member who participates in this organization and issue each a receipt for his or her share but you may find the easiest solution is to return the cheque as the association itself is not eligible to receive a tax credit receipt.

You are wilting by now so

we will deal with only one more contribution. This is from ABC Home Care Society Ltd. Looks all right on the surface, doesn't it? But a phone call alerts you to the fact that this is an organization that has *charitable status*. Such bodies are prohibited from making political contributions so, albeit with regret, you must return this cheque.

Of course, the foregoing does not cover every type of contribution you will run across but it is fairly comprehensive. Set aside those cheques about which you may have a query. Then before writing the receipts pick up the phone and call the Commission. A staff member will be most pleased to help you with any question you have no matter how trivial it may appear.

Ladies and gentlemen, well done.



LAST MINUTE CONTRIBUTIONS

The Election Finances Act and Guideline G04 - paragraphs .18 and .19 advise that all contributions must be deposited in the association's bank account and official receipts issued, with the acceptance date being the date of the deposit.

However, some cheques for 1992 contributions may arrive on December 31, 1992 or within the first few days of January 1993. These must be postmarked December 31, 1992 or earlier. You should deposit these funds within the first few banking days of 1993.

These deposits will be recorded in your 1992 records and reported as 1992 income as if they had been made on December 31, 1992. The official tax receipts will bear the accepted date of December 31, 1992.

TIP

It is a good idea to photocopy all cheques received before you deposit them. It is also a good idea to keep the postmarked envelopes in which last minute 1992 contributions were delivered so that you can justify their inclusion as 1992 contributions.



NEW A-1 FORM

CFOs and Presidents will receive, along with this issue of the Bagman, a blank copy of the newly revised Constituency Association Registration and Change Notice Form A1. The form

remains basically the same although we have reduced it to one double-sided page.

Sections 1 to 9 *must* be completed fully for *any change* of information for your association and the revised form must be forwarded to the Commission as quickly as possible. Not only is this a statutory requirement, but essential if we are to provide you with current information and initiate contact when required.

RENUMBERING OF THE ACT

As a result of the repeal of Sections 12 and 45 and a consolidation of the Statutes of Ontario, the Election Finances Act, 1986 has been renamed the Election Finances Act and the sections renumbered accordingly. All "Act" references in the Commission's guidelines and publications refer to the former Election Finances Act, 1986. Because of pending amendments to the Act we are not revising the guidelines and other publications at this time.

The Commission will quote both acts in all correspondence. For example, "... as per section 42 of the Election Finances Act, 1986, (section 41 of the Election Finances Act, RSO 1990)..."

WELCOME!



Jack Murray, an NDP nominee, has become a member of the Election Finances Commission. He replaces Gord Brigden who resigned last summer.

Jack is a former provincial secretary of the New Democratic Party. He is superintendent of Capital Program and Financing for the Metropolitan Toronto School Board.

Six of the nine members of the Commission are nominees, two from each of the three parties in the Legislature. The other three members are the Chief Electoral Officer, a Bencher of the Law Society of Upper Canada and the Chair.

THE COMMISSON WAS THERE!

On November 7, 1992, two members of the Commission staff attended the Ontario Liberal Party's Annual General Meeting held at The Regal Constellation Hotel in Toronto. They were Julie Fleming our Assistant Registration and Communications Officer and Daphne Check one of our Compliance Officers. Both Julie and Daphne reported that this was a very positive experience and thoroughly

enjoyed meeting with the CFO's and Presidents in a "face to face" situation, which appeared to be equally appreciated by the many volunteers attending the meeting. The Commission is always happy to be able to participate in these kinds of events and hopes that the other parties will consider inviting members of our staff to attend similar events in the future.

COGEL

The 1992 COGEL (Council on Government Ethic Laws) Conference, hosted by the Ontario Election Office and the Commission on Election Finances, was by all accounts a resounding success.

Despite cutbacks and fiscal restraints of all the agencies involved, attendance held. The program provided a balance of sessions for the four or five interest groups in the COGEL membership. Dolores Colbourg, of Montana, the new Chair of the Cogel Steering Committee, has stated that the speakers for the plenary sessions were the best ever. And the Conference came out with enough of a surplus to cover last year's deficit, plus a contribution to the Canadian-controlled International Fund which was set up after the 1987 COGEL Conference in Quebec City produced a surplus.

OUR TEAM

If you have any questions about election finances in Ontario, give us a call. The Commission's staff is always available to assist you. Our office hours are Monday to Friday, 8:30 a.m. to 4:30 p.m. The Commission accepts station-to-station collect calls from outside the Toronto area. If you call us outside of our regular office hours please leave your name and telephone number on our answering machine and we will return your call as quickly as possible. We can also be contacted by fax or by mail. Keep in touch.

<i>Chair</i>	<i>Donald C. MacDonald</i>
<i>Executive Director</i>	<i>Gordon H. Kushner, CA</i>
<i>Director of Policy and Communications</i>	<i>George Manios</i>
<i>Financial Filing Officer</i>	<i>Roy S. Snider, CA</i>
<i>Compliance Officer I</i>	<i>Daphne Check</i>
<i>Compliance Officer II</i>	<i>Eileen De Calderón</i>
<i>Secretary to the Commission/ Registration & Communications Officer</i>	<i>Donna Aceto</i>
<i>Assistant Registration & Communications Officer</i>	<i>Julie Fleming</i>
<i>Administrative Assistant to the Chair/Office Manager</i>	<i>Louise Pequeneza</i>
<i>Administrative Assistant to the Executive Director</i>	<i>Maria Bereczki</i>
<i>Administrative Assistant/Reception Coordinator</i>	<i>Marline Harrison</i>

*Commission on Election Finances
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Election Finances Reporter

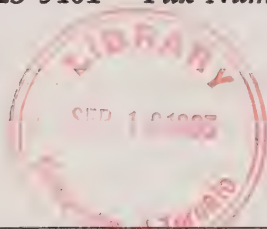
Newsletter of the
Commission on Election Finances
Commission sur le financement des élections

151 Bloor Street West, Suite 1110
Toronto, Ontario M5S 1S4

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IMPORTANT NOTICE:

TRANSFERS TO AND FROM FEDERAL CANDIDATES AND FEDERAL ORGANIZATIONS

With a federal election now in progress please note that the Election Finances Act strictly forbids transfers to or from a federal party, constituency association or candidate. The only exception available is at the central party level. For limitations, see the Commission's Guideline G28, paragraph .02 and clause 30(1)(b) and section 21 of the Election Finances Act, 1986 (clause 29(1)(b) and section 20 of the Election Finances Act, RSO 1990).

CHAIR'S REPORT

Meeting with All Parties

The Election Finances Act stipulates that only those registered parties which have membership in the Legislative Assembly are entitled to representation on the Commission on Election Finances. There are six other parties which are registered and therefore subject to the requirements of the Act. Understandably, these parties seek some representation on the Commission, but the Act does not permit it. The Commission has instituted an annual meeting with all parties to which their representatives are invited with the opportunity to raise matters of concern. This second annual meeting with all parties was held in conjunction with the Commission's June meeting in 1993.

Ad Hoc Committee

The Ad Hoc Committee charged with the responsibility of reviewing the Election Finances legislation and making recommendations for amendments to the Act is now in operation. The Committee met with the Commission in July when there was a free-wheeling discussion of general problems, and subsequently, it held a session with the Commission Chair and Executive Director to discuss some of the recommendations which the Commission had made. The Ad Hoc Committee is expected to report to the Legislature next spring, if not this fall, in time for new legislation in advance of the next provincial election.

Staff Changes

The Commission staff of 11 has not had many changes, but this year has been an exception. Daphne Check had been with us since 1976, and is now enjoying a well-deserved retirement. During her 17 years with the Commission she had risen through the ranks, so to speak, to be a Compliance Officer.

Replacing Daphne is Ralph Gaston. Ralph was formerly Payroll Officer with the Finance Branch of the Legislative Assembly. Ralph is currently working towards his CGA designation. Welcome aboard, Ralph!

Late Filers

This year there was a marginal improvement in the sorry record of late filers of annual financial returns. As you can see from the table, the number was 45—still almost 10% of the registered riding associations.

LATE FILERS

	Total Late Filed	Not Filed as of Sept. 13/93
New Democratic Party	6	0
Liberal Party	9	0
Conservative Party	15	5
Confederation of Regions Party	2	0
Family Coalition Party	10	3
Green Party	2	1
Libertarian Party	<u>1</u>	<u>0</u>
	45	9

The Commission has not yet considered whether those riding associations which have not yet filed should be penalized, either through deregistration or prosecution.

Social Contract

Along with all the other branches of the Legislature and the five legislative agencies, the Commission was impacted by the Social Contract Act legislation. Specifically, it required a cut-back in our budget by \$29,400. Our Executive Director is confident that this reduction can be handled, and that there will not be a cut back in the services provided by the Commission.

Report on Indemnities & Allowances

The Commission has a statutory obligation to report each year on what it considers to be the appropriate level for the Indemnities and Allowances of Members of the Legislature. Since all such remuneration has been frozen, such a report would be redundant; therefore, the Commission has repeated its last report which called for elimination of the MPP's tax-free allowance and honorarium for committee work, and the incorporation of these into an annual salary, all of which would be taxable. That report is available for the consideration of the Legislature whenever the current freeze ends.

*An opportunity for
you...*

We welcome your input.

*Please call or write with
suggestions for future
topics for the newsletter.*

Guideline Updates

In May 1993 all chief financial officers and auditors were sent a set of guideline revisions.

- *Release No. 6, May 1993*
was distributed to Constituency Associations
- *Release No. 7, May 1993*
was distributed to Political Parties
- *Release No. 8, May 1993*
was distributed to Candidates

If you have not already done so, review and file the new material immediately.

Do not hesitate to contact the Commission for further clarification.

Individual Guidelines or a complete set of Guidelines may be ordered without charge from the Commission.

Highlights of the current Guideline amendments are listed below:

Introduction to Guidelines for Chief Financial Officers

Guideline G00

Paragraph .08 of Guideline G00 deals with the Commission's newsletter. The name of the newsletter has been changed from the *Bagman* to the *Election Finances Reporter*. This change was made to remove any misunderstanding the former title may have caused.

*Constituency Association -
Rules on Contributions*

*Guideline G04, and
Guideline G22*

Paragraph .29 of Guideline G04 deals with contributions made by a trustee or contributions made by the holder of a power of attorney.

Paragraph .32 of Guideline G04 deals with conditional contributions and with contributions received by registered political parties or constituency associations covering fees for meetings, seminars, workshops or conferences, including leadership contests.

Paragraph .34 of Guideline G04 permits constituency associations, candidates and political parties to act as agents for other constituency associations or candidates when participating in joint fund-raising activities.

Paragraphs .36 and .37 of Guideline G04 and Paragraphs .24 and .25 of Guideline G22 deal with the return or the refund of contributions to contributors.

*Constituency Association -
Campaign Period Financial Statement*

*Guideline G05, and
Guideline G25*

Paragraphs .13, .29 and .30 of Guideline G05 and Paragraph .06 of Guideline G25 deal with inventory of campaign materials.

*Contributions to Parties for Transmittal
to Constituency Associations or Candidates*

Guideline G19

Paragraph .06 of Guideline G19 deals with the acceptance and the transfer of contributions by political parties through agency arrangements with their constituency associations.

*Campaign Advertising Limitations -
Time and Rates*

Guideline G23

Paragraphs 12a and 12b of Guideline G23 give examples of advertising methods that are not restricted to the 21-day time limitation but that must be accounted for as a campaign expense. The portion of the cost that must be accounted for is identified.

**Contributions Solicited
for Specific Purposes**

Contributions solicited for a specific purpose are not eligible for tax-credit receipts.

Guideline G32 clearly explains that funds must be solicited for the general use of the registered political party, constituency association or candidate to qualify for a tax-credit receipt.

Detailed records must be kept for all funds received and spent for a fund-raising activity.

Separate records must be kept for all funds received and spent for specific purposes. *However, contributions solicited for specific purposes do not qualify for tax-credit receipts.*

Election Finances Reporter

Newsletter of the
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LATE FILERS

This year there were 50 late filers. Last year approximately 8.5% or 45 of the 528 constituency associations filed after the May 31, 1993 deadline. This year 9.5% or 50 of the 525 constituency associations filed after the May 31, 1994 deadline. We are disappointed by this poor showing.

<u>LATE FILED</u> <u>1993 ANNUAL RETURNS</u>	<u>Not filed as of</u> <u>May 31, 1994</u>	<u>Not filed as of</u> <u>July 21, 1994</u>	<u>Associations</u> <u>Deregistered</u>
New Democratic Party of Ontario	15	2	0
Ontario Liberal Party	10	2	0
Progressive Conservative Party of Ontario	10	1	0
Communist Party of Canada (Ontario)	0	0	0
Family Coalition Party of Ontario	9	2	2
Freedom Party of Ontario	0	0	0
Ontario Libertarian Party	0	0	0
Ontario Provincial Confederation of Regions Party	3	0	2
The Green Party of Ontario	<u>3</u>	<u>1</u>	<u>1</u>
Totals	<u>50</u>	<u>8</u>	<u>5</u>

The Commission has not yet considered whether those constituency associations which have not yet filed should be penalized, either through deregistration or prosecution. The Commission will review each late filing situation individually.

Donald C. MacDonald Term Complete

Donald C. MacDonald began his term as Chair of the Commission on May 1, 1986. His term as Chair expired on April 30, 1994.

At his last meeting with the Commission Mr. MacDonald stated that he felt blessed with his association with the Commission and he thanked the Commission for eight delightful years.

The Commission members expressed their appreciation to Mr. MacDonald for his leadership and went on to say that although they were not always in agreement, they always respected his position and enjoyed working with him.

Mr. MacDonald was recently honoured for his outstanding public service career. He was awarded The Order of Ontario, the most prestigious award that the Province can bestow upon its citizens. It recognizes and honours individuals who have enriched our society by attaining the highest standards of excellence and achievement in their chosen field of endeavour.

Mr. MacDonald will continue to share his knowledge as a part-time lecturer in the political science departments of Ryerson and York Universities, Chair the Board of Directors of York Community Services, participate in the Churchill Society for the Advancement of Parliamentary Democracy and review books for Ontario's newspapers. Mr. MacDonald is also a skilled angler and an enthusiastic gardener.

Other commitments permitting, Mr. MacDonald plans to write a history of the Commission.

The Commission Welcomes Jack Murray

On July 15, 1994, Jack Murray, a former Commission member, succeeded Donald MacDonald as Chair of the Commission.

Dr. Murray is a native of Seaforth, Ontario. He obtained both Bachelor and Master degrees at the Ontario Agriculture College in Guelph and a Ph.D. in communication from Michigan State University. Dr. Murray was President of the New Democratic Party of Ontario from 1978 to 1980 and served as full time Party Secretary from 1980 to 1982. At the riding level, he held most executive positions, including several terms as CFO. During his career Dr. Murray lectured at the Department of Soil Science in Guelph; was a Research Associate with the Toronto Board of Education; and a Planning and Research Consultant with the York Board of Education. During his recent association with The Metropolitan Toronto School Board as Superintendent of Capital Program and Planning, Dr. Murray was responsible for planning and administering a large capital program which included several major energy reduction projects.

At the municipal level, Dr. Murray served the community of East York for three terms on the Committee of Adjustment and one term on the Planning Board. While working with the Metropolitan Toronto School Board he chaired a number of committees dealing with a broad range of issues.

Dr. Murray brings his experience as a consensus builder to his appointment. He is committed to maintaining and strengthening one of the most comprehensive and balanced sets of election funding regulations to be found in the world.

At his swearing-in ceremony, as Chair of the Commission, Dr. Murray pledged to be an impartial Chair, to support the established tradition of the Commission as an effective and efficient operation, to maintain and enhance the credibility of the electoral process and to ensure that the Commission remains unobtrusive in its day-to-day operations. Dr. Murray stated that he is convinced that the Commission's staff are scrupulously careful to avoid interfering with the operations of the parties and the constituency associations and he intends to see that this respectful way of doing business continues.

Commission Member Term Complete

Penny Dickens completed her second term as a Commission member on February 8, 1994. Mrs. Dickens was nominated by the New Democratic Party of Ontario.

The Commission members complimented Mrs. Dickens on ten years of dedicated service and acknowledged her contribution to the Commission.

New Commission Members

Lynne D. Jeffrey was appointed to the Commission on March 9, 1994. Ms. Jeffrey was nominated by the New Democratic Party of Ontario.

Gordon Brigden was appointed to the Commission on July 15, 1994. Mr. Brigden was nominated by the New Democratic Party of Ontario.

Members of the Commission

Jack Murray
Chair

Richard F. Stephenson
Vice-Chair

Nominees of the New Democratic Party of Ontario

Lynne D. Jeffrey
Gordon Brigden

Nominees of the Ontario Liberal Party

John Adair Campion
Richard F. Stephenson

Nominees of the Progressive Conservative Party of Ontario

Brian G. Armstrong
Hugh K.N. Mackenzie

Chief Election Officer

Warren R. Bailie

Summary of Guideline Updates

Guideline revisions are sent only to current chief financial officers and auditors.

Individual guidelines or a complete set of guidelines can be ordered free of charge from the Commission.

If you have not already done so, review and file the new material immediately.

Do not hesitate to contact the Commission for further clarification of the current guideline amendments.

Highlights of the current guideline amendments are listed below.

Provincial Guideline Release No. 9, lists current amendments to the Guidelines and is being sent to all association CFOs and auditors with this issue of the newsletter.

Activities Outside of the Purposes of the Act

Guideline G32

Guideline G32 has been revised. The revision clearly explains the legislation and provides examples of contributions that are allowed for specific purposes.

The wording of Guidelines G04.31, G22.21 and G23.12c was revised to conform with the revisions to Guideline G32.

Remember, you must keep separate records for all contributions received for specific purposes even if those contributions do not qualify for tax credit receipts. All contributions must be recorded and reported to the Commission, including those that do not qualify for tax credit receipts.

Reservation of a Proposed Name of a Political Party

Guideline G41

Guideline G41 is a new guideline. It was created to ensure that applicants are made aware of their responsibility once their party name has been approved. The Commission will question the intent of an applicant who applies to renew the same name and/or abbreviation year after year. It requires the applicant to provide the Commission with evidence that the applicant has made a genuine attempt to meet the requirements of the Act.

Provincial Guideline Release No. 10, contains party guidelines and will only be distributed to registered political parties.

Registered Political Parties - Rules on Contributions

Guideline PG05

The wording of Guideline PG05.31 was revised to conform with the revisions to Guideline G32.

Provincial Guideline Release No. 11, contains candidate guidelines and will only be distributed to registered candidates.

Candidate - Rules on Contributions

Guideline G10.30

The wording of Guideline G10.30 was revised to conform with the revisions to Guideline G32.

Meeting With All Parties

The Commission members felt that it would be beneficial to postpone its annual all-party meeting until early next year. At that time, the Commission may have an amended Act to discuss with the participants. As well, the Commission will be in an election planning mode and suggestions from the parties would be very helpful.

Another TV Seminar

We haven't set a date yet, but once the new legislation is in place the Commission is planning province-wide, tele-conferencing seminars consisting of a series of videos to be played at set times on the legislative channel before and throughout the election.

As always, staff will be available to answer your questions and provide support.

We will let you know when the dates of the programs have been set.

Outreach

To assist your party's volunteers and make them aware of the rules and procedures of the EFA and related guidelines, the Commission is available to attend party annual or regional meetings and present in-house seminars. All we need is a meeting room. We will bring equipment, supplies and facilitators. If you wish to have a private seminar and if sufficient numbers would be attending to make it worthwhile, contact Gord Kushner at the Commission.

Is your Registration Information Up-To-Date?

We can't keep you up-to-date unless you keep us up-to-date. With an election in the wings it is very important that all the information your association has on file with the Commission is correct. If it's not, we can't keep you informed about Commission decisions, guideline changes and administrative policies, etc.

Complete the enclosed *Constituency Association Registration Form (Form - A1)* and return it to the Commission as soon as possible if there have been any changes to the registration information your association has on file with the Commission.

Remember, we need original signatures, so if you fax the information to us be sure that you also send us the original.

Can a Candidate Pre-Register With the Commission?

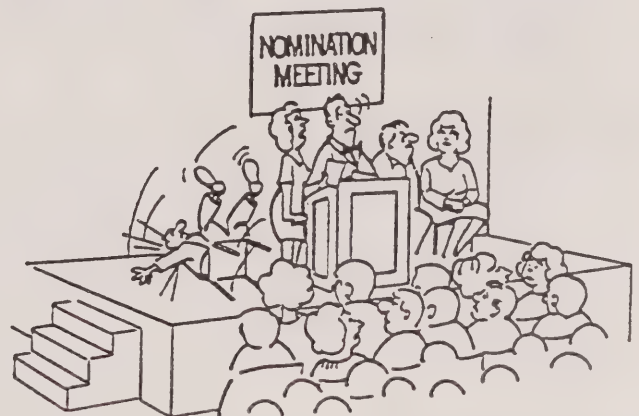
Candidates can pre-register with the Commission for the coming election. The Commission does not know when the next general provincial election will be called. However, if your constituency association has held a nomination meeting we urge you to pre-register.

There are advantages to pre-registering. If you have pre-registered you can begin your campaign the moment the election is called. Also, you will be able to review the election financing information ahead of time.

Remember, your registration is not effective until the writ for the election is issued and you are registered with the Commission. Any money raised before you are registered must be returned to the contributor or turned over to the Commission. However, your constituency association may accept contributions up to the \$750 yearly limit from a donor.

We are enclosing *Form C-1, Candidate Registration and Change Notice Form* with this newsletter.

Note: If a candidate is nominated by a registered constituency association, the CFO of that constituency association must sign the candidate's registration form.



"Oh! I forgot to mention, we were deregistered last August. Does that mean anything?"

Physical Disability

Guideline G24.01 lists the campaign expenses that are not subject to the campaign expense limitations. In addition to these exemptions, the Commission has

ruled that expenses which are directly related to a candidate's physical disability (as defined in the *Ontario Human Rights Code*) do not constitute a campaign expense and are not subject to the campaign expense limitations. For further details see Guideline G24.01a.

Remember, you must record and report all exempted campaign expenses.

Newfoundland Delegation

When the province of Newfoundland amended its election finances legislation it patterned it after Ontario's legislation.

In March of this year the province of Newfoundland sent a delegation to Ontario to observe the Commission's operation.

Russian Delegation

A small delegation from Russia briefly visited with Commission members and staff on June 2, 1994. The Commission presented a brief explanation of Ontario's election financing legislation.

The delegation was interested in the structure of the Commission and in its legislation. The delegation indicated that when they amend their legislation they would be grateful for any assistance the Commission could provide.

Suggestions?

We hope you find our newsletters useful and informative. We welcome your input. Please call or write us with your suggestions for future topics for the newsletter.

Additional copies of the newsletter are available free of charge. We can even add you to our mailing list. You may photocopy any of our publications.

Keep in Touch

At its June 9, 1993 meeting with the representatives of the registered political parties an Ontario Provincial Confederation of Regions Party representative complimented the Commission's staff on the "wonderful" support it provides. At the same meeting, and on behalf of all of the registered political parties in attendance, Mr. Wunsch (Ont. C.O.R. Party) and Mr. Beddell (CPC (Ontario)) thanked the Commission members and staff for their assistance throughout the year.

We are approachable. We encourage you to call us with **any** questions or concerns you may have about election finances in Ontario. There is always someone here with the time to listen and the ability to help.

Our official office hours are Monday to Friday, 8:30 a.m. to 4:30 p.m., although, most days, you will find someone available outside these hours.

The Commission accepts station-to-station collect calls within Ontario. If you call us outside of our regular office hours please leave your name and phone number on our answering machine. We will return your call as quickly as possible. We can also be contacted by FAX or by mail.

For election finances matters contact:

Gord Kushner	(416) 325-9450
Roy Snider	(416) 325-9456
Eileen De Calderón	(416) 325-9455
Ralph Gaston	(416) 325-9457

For provincial registration matters contact:

Julie Fleming	(416) 325-9410
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Only **Part III** local government candidates contact:

George Manios	(416) 325-9454
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Election Finances Reporter

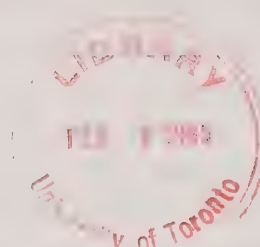
*Newsletter of the
Commission on Election Finances*

*151 Bloor Street West, Suite 1110
Toronto, Ontario M5S 1S4*

General Number: (416) 325-9401 Fax Number: (416) 325-9466

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CHAIR'S REPORT

Amendments Still Hoped For

No amendments to the *Election Finances Act* were introduced to the Legislature during the fall session. While the House Leaders considered the matter several times it never rose to the top of the legislative agenda.

In late 1991, the Legislature established an Ad Hoc Committee to develop amendments to the Act. The last substantive amendments were made in 1986 when the ten-year-old legislation was updated and strengthened. In 1992, another thorough updating was proposed by the Commission to the Ad Hoc Committee. One of the more significant proposals would replace the current requirement for parallel reporting of contributions and expenses for the campaign period by both the constituency association and the candidate. A single combined filing was proposed to replace the present system of dual reporting.

In its final report to the Legislature, the Ad Hoc Committee included many of the Commission's proposals. Some were included in a modified form or incorporated into the Committee's own proposals. The Ad Hoc Committee also proposed a number of additional amendments to help bring the legislation up to date. The Committee's report was delivered to the Speaker and the House Leaders on April 25, 1994. Since then, the House Leaders have reviewed the recommendations from the Committee and the original proposals from the Commission but to date no amending legislation has been drafted.

The Commission remains hopeful that amendments to the Act will be passed when the Legislature resumes. However, it also hopes that amending legislation would take effect only after the next election. This would avoid any confusion that might arise from attempting to implement changes during the run up to an election.

Limiting the Amount of a Tax Credit Receipt to the Net Value of a Contribution

The Commission informed all CFOs, auditors and presidents of registered political parties and constituency associations of its new policy of limiting the amount of a tax credit receipt to the net value of a contribution. The policy stated that in the case of banquets, cocktail parties, entertainment events and other similar fund-raising events, or where a portion of any contribution is refunded by a gift or a rebate, **the amount shown on the tax credit receipt must be limited to the net value of the contribution.**

For example, if a contributor is given a gift worth \$25 for each \$200 contribution, a tax credit receipt for only \$175 is to be issued. In the case of a fund-raising event, if the price of admission is \$300 and includes a dinner and a dance which cost \$50 when all expenses are determined, a tax credit receipt for only \$250 is to be issued.

This policy does not apply to the cost of admission to meetings, seminars, workshops and conferences if they are held in Ontario.

Originally, this policy was to take effect on January 1, 1995. However, to respond to concerns from parties and associations that they needed more time to complete fund-raising projects already planned, the Commission moved the effective date to **JULY 1, 1995.**

Guideline G31, Fund-Raising Activities, will be amended to incorporate the Commission's new policy.

Taxable Income Arising from Contributions of Goods and Contributions of Services

There appears to be a misunderstanding of how to deal with contributions of goods and services. There is a potential for abuse of the tax credit system if overvalued receipts or receipts for suspect goods and services are issued. In some cases, it appears that volunteers are being given tax credit receipts. **Tax credit receipts must not be issued for volunteer services.**

It also appears from the correspondence the Commission has received that some contributors have not reported as taxable income the value of any services contributed to political organizations for which they have received a tax credit receipt. **If a receipt has been issued for a service, the amount of the receipt may have to be reported by the contributor as income on the contributor's income tax return.**

The Commission will strictly enforce the provisions of the EFA dealing with contributions of goods and services and voluntary services as it has a responsibility to ensure that all receipts are issued properly and that the information on each receipt is correct. *Revenue Canada* and the *Ontario Ministry of Finance* rely on the information they receive from the Commission.

AR-1 Available on Disk

The Constituency Association Annual Financial Statements, Form AR-1, are now available on the 5.1 version of WordPerfect. We will provide you with a 5¼" or 3½" diskette on request. Many CFOs and auditors who have used the computerized reporting form have been quite satisfied.

Voluntary Services

Any service performed by an individual, voluntarily and without compensation, is not considered to be a contribution.

Any such service must actually be performed by the individual.

Examples of Voluntary Services:

If a lawyer advises a registered candidate about the interpretation of the Act and **does not charge a fee**, the provision of this service would not be considered a contribution under the Act.

If a self-employed graphic artist **voluntarily** creates the graphics for a candidate's signs, stationery, brochures, etc., this would not be considered a contribution under the Act.

If an individual who is employed by a company in the business of providing advertising services, **voluntarily donated** his or her services to a candidate's campaign and participated in the development of advertising concepts, etc., and such concepts were used to create campaign advertisements, the conceptual services performed by this individual would not be considered a contribution under the Act.

Campaign Expenses

Any campaign materials **used** or services **consumed** before the writs for an election are issued are not considered to be campaign expenses.

If your constituency association displays lawn signs before the writs are issued **or** if your association conducts polling and research before the writs, these expenses are not considered to be campaign expenses.

However, municipalities may have by-laws in place that prohibit lawn signs from being placed before the writs for an election are issued. Check with your local municipal clerk.

For example, a constituency association purchases 1,000 brochures. Half of the brochures are distributed before the writs for the election are issued. However, once the writs for the election are issued the remaining brochures must be accounted for as a campaign expense subject to the limits.

If your association prepays telephone services for a campaign office, any installation charges are considered to be campaign expenses subject to the limits. Also, any rental fees and charges for the period between the writs and voting day are considered to be campaign expenses subject to the limits.

Filing by FAX

Effective immediately any document you are required to file with the Commission may be submitted by fax.

You do not need to send your original document to the Commission. Your filing **will not** be conditional upon receipt of a document with an original signature. However, you must keep the original document for a period of not less than 6 years and be prepared to submit it to the Commission upon request.

All documents received by fax will be considered to be original documents.

This policy will be beneficial to candidates and CFOs filing registration forms.

Although the Commission encourages filing registration forms by fax it discourages filing financial statements by fax. Financial filings tend to be lengthy documents, especially when accompanied by the **required copies of tax credit receipts**. The limited capacity of the receiving equipment could cause congestion and result in non-transmission of a document.

Remember, in the event of a dispute, it is the responsibility of the filer to prove the accuracy of the filing. Also, filing with the Commission requires **delivery to the Commission**, not simply sending the document to the Commission. The responsibility of proving delivery rests with the person who filed the document with the Commission whether it was filed by fax, mail or courier.

Can a Candidate Register With the Commission Before the Writs are Issued?

Yes.

However, the registration is not effective until the writs for the election are issued.

If you have filed your registration form in advance you can begin your campaign the moment the election is called.

We are enclosing a Candidate Registration and Change Notice Form C-1 with this newsletter. Don't forget that your registration application can be filed by fax.

Pre-Writ Canvassing

Under Ontario law there is no obligation for landlords to provide access to candidates and campaign workers prior to the issue of the writs.

Candidates and campaign workers should seek approval from the landlord before canvassing or distributing election material within condominiums and rented premises.

However, once the writs for the election have been issued, candidates and campaign workers have the right to reasonable access to condominiums and rented premises for the purpose of canvassing or distributing election material. The law provides for stiff financial penalties to landlords and others who do not provide reasonable access to political canvassers.

For additional information consult section 92 of the *Landlord and Tenant Act* and section 30 of the *Condominiums Act*.

Authorization

If you are ordering election materials prior to the election remember that all political advertising such as lawn signs, handbills, placards, posters and broadcast advertisements must be authorized. In other words, **everything that can be seen, heard or read must be authorized** and must make reference to who authorized the material. For example you can keep the authorization generic and simply say "Authorized by the Ottawa-East (name of Party) Constituency Association".

New Fund-Raising Methods

Various political organizations have informed the Commission that they feel that many of the traditional methods of fund-raising are losing their appeal.

If your political organization is considering other business activities to raise money for your organization, please submit the details of your fund-raising project to the Commission along with details of how your organization has determined that the project complies with the requirements of the Act.

Outreach

To assist your party's volunteers and make them aware of the rules and procedures of the EFA and related guidelines, Commission staff is available to attend party annual or regional meetings and present in-house seminars. All we need is a meeting room. We will bring equipment, supplies and facilitators. If you wish to have a private seminar and if sufficient numbers would be attending to make it worthwhile, contact Gord Kushner at the Commission.

Summary of Guideline Updates

Provincial Guideline Release dated November 1994, lists current amendments to the guidelines and is being sent to all CFOs and auditors with this newsletter. Highlights of the current guideline updates are listed below.

- G19 - Contributions to Parties for Transmittal to Constituency Associations or Candidates
- PG03 - Registered Political Parties - Contributions for Transmittal to Constituency Associations or Candidates

G19 and PG03 have been revised. They state that the use of the agency mechanism is to be reserved solely for contributions of money and that contributions of goods and services must be made directly to a political party, constituency association, candidate or leadership contestant.

Guidelines G04.34, G10.33 and PG05.34 have been revised to conform with the amendments to Guidelines G19 and PG03.

Note: Guidelines PG03 and PG05 are only distributed to registered political parties.

- G34 - Campaign Period Financial Statements and By-Elections

G34 has been revised. It states that when a general election is called, all parties and candidates begin the campaign period for the general election on an equal footing; each is eligible for the full contributions and spending limits without regard to what contributions were received or expenses incurred in relation to the by-election.

- G42 - Filing by Fax Machine

G42 is a new guideline. It states that all forms that must be filed with the Commission may be filed by fax.

Guidelines G05.06, G06.05, G11.06, G16.06, PG01.05 and PG02.06 have been revised to conform with Guideline G42.

Note: Guideline G11 is only distributed to registered candidates. Guideline G16 is only distributed to leadership contestants. Guidelines PG01 and PG02 are only distributed to registered political parties.

Keep in touch. There is always someone here with the time to listen and the ability to help.

1994 CONSTITUENCY ASSOCIATION AND PARTY RETURNS NOW DUE DON'T BE A LATE FILER

We don't wish to appear threatening. We recognize that CFOs are volunteers; they have many other obligations. But the law requires that this audited financial filing must be made. And you do have five months to do it. Why not sooner, rather than later?

At its November 30, 1994 meeting the Commission unanimously ruled:

Any association which has not filed a 1994 Constituency Association Annual Return, Form AR-1, postmarked on or before May 31, 1995 will be notified by registered mail that the Commission proposes that the association be deregistered on June 30, 1995 and that the Commission will consider prosecution which might result in a fine of up to \$1,000, unless prior to that date the return has been filed. Further, that this policy be communicated to all association chief financial officers and auditors by means of a special bulletin.

Any political party which has not filed a 1994 Party Annual Return, Form AR-10, postmarked on or before May 31, 1995 will be notified by registered mail that the Commission proposes that the political party be deregistered on June 30, 1995 and that the Commission will consider prosecution which might result in a fine of up to \$2,000, unless prior to that date the return has been filed. Further, that this policy be communicated to all political party chief financial officers and auditors by means of a special bulletin.

Further, the Commission will review each late-filing situation individually.

Election Newsletter

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Be Prepared

A general provincial election will be called soon. There is much speculation as to the exact date. However, no matter what date is finally decided, we have prepared all the information packages and forms that will be needed by candidates, their CFOs and auditors. Our aim is to help you as quickly and as efficiently as possible.

This is an introductory newsletter. Once the election has been called, a weekly edition will be sent out. These will contain important information which will help you to run a campaign in compliance with the *Election Finances Act*. We welcome all suggestions and comments and will answer questions of common concern in these newsletters.

How Do I Register as a Candidate?

A number of candidates have already registered with the Commission. The first step is to be nominated by your riding association. Once you have won the nomination, you must appoint a chief financial officer (CFO) and an auditor and decide at which bank your campaign account will be opened. Appointment of a campaign manager is optional.

To register with the Commission you must complete and sign an Application For Registration of a Candidate, Form C-1. Make sure all the information required is provided and have the form signed by the association's CFO.

How Do Independent Candidates Register?

If you are an independent candidate then all you have to do is declare yourself to be an independent candidate after the writs for the election are issued or file your nomination paper with the Returning Officer. You must also file Form C-1 with the Commission.

When Can My Campaign Begin?

Remember, for your campaign to officially begin, you must not only be registered with the Commission but the writs for an election must have been called. For those of you who are already registered with us, your campaign can officially begin the moment the writs are issued.

Please note that until you are registered with the Commission and the writs for the election have been issued, your campaign cannot accept contributions nor incur expenses. However, your riding association can continue to accept funds so long as the funds are made out to the riding association.

The association can also incur expenses on behalf of the candidate. These expenses are classified as pre-writ expenses and some portion will be transferred to the candidate and may be subject to the candidate's expense limit.

The Nomination Process

Nomination activity does not fall under the jurisdiction of the *Election Finances Act*. Persons seeking the nomination by a riding association can collect funds and incur expenses and no report has to be filed with the

Commission. Therefore, any contributions to a person seeking nomination are **not** eligible for a tax credit receipt. Any funds collected by a prospective candidate which remain after the nomination process is over cannot be handed over to the association or to the candidate's campaign.

Pre-Writ Expenses

If any items such as signs are purchased and are put into inventory for use during the election, these expenses will be transferred to the candidate and will be accounted for as expenses subject to the candidate's expense limit.

If expenses such as telephone installations are prepaid, these too will be accounted for as a candidate's campaign expense and will be subject to the candidate's expense limit.

If a campaign office is rented by the riding association prior to the writ being issued, the portion of the rent paid for the period from the date of the writs to polling day is considered a campaign expense and will be subject to the candidate's expense limit.

Please note that anything used prior to the writ being issued is not considered to be a candidate's campaign expense nor is it subject to any expense limits.

Authorization Requirements

You are probably busy working on the wording for advertising and brochures and taking pictures for signs and pamphlets. Don't forget that all such items must state who authorized them. For example the authorization could state "Authorized by the XYZ Campaign". Should you forget to include the authorization, do not panic. A stamp or sticker affixed after the item has been produced will be perfectly acceptable.

Spending Limits

You may already be working on the campaign budget.

As the expense limits are based on the list of eligible voters, an exact figure cannot be given at this time. When the enumeration has been completed your Returning Officer can provide you with the necessary figures and you will be able to calculate your expense limit. In the meantime you may want to use your expense limit for the 1990 election as a guide for budget purposes.

Information Availability

Once a candidate is registered with the Commission we automatically send to each candidate's CFO and auditor our information package. This package contains the Guidelines For Chief Financial Officers, a copy of the *Election Finances Act*, an index and concordance and copies of our three publications, A Quick Guide to Election Finances, Fund-raising Activities and Political Contributions in Ontario.

Keep in Touch

After you have read the information you may find you still have unanswered questions. Commission staff members are available to answer all your inquiries between 8:00 am to 5:00 pm Monday through Friday. Once the writs have been issued our office will be open from 8:00 am to 6:00 pm. Our general number is (416) 325-9401. You will also be able to reach us by telephone after hours and on weekends at our general number.

Our fax number is (416) 325-9466.

Station-to-station collect calls will be accepted.

A reminder to association CFO's--do not let the excitement of the campaign overshadow the need to prepare your association's 1994 Annual Return which is due on or before May 31, 1995.

Guideline Updates

Provincial Guideline Release dated February 1995, lists current amendments to the following guidelines:

- G05 - Constituency Association, Campaign Period Financial Statement,
- G35 - Contributions of Goods and Services,
- G41 - Reservation of Proposed Name of Political Party, and
- PG02 - Registered Political Parties, Campaign Period Financial Statement.

These updates are being sent to all CFOs and auditors with this newsletter, except for PG02 which will only be released to political parties.

If you have not already done so, review and file the new material immediately.

Individual guidelines or a complete set of guidelines can be ordered free of charge from the Commission.

Election Newsletter

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May 1, 1995
ISSN 1201-6152

Renting a Campaign Office

When you rent a campaign office you should be aware of the following requirements.

- (a) The rent you negotiate must be the going rate for that space as if it were being rented to any one else in the community. If you rent at a reduced rate, remember that the discounted amount must be considered a contribution and must be acknowledged with a tax credit receipt for goods and services. This will count towards that contributor's contribution limit of \$750.
- (b) If you issue a goods and services tax credit receipt for all or a portion of the campaign office rent, be sure that you know who owns the property you are renting. For example, if XYZ Inc. owns the building, you cannot give tax credit receipts to Mr. A and Ms. B. even though they may be the owners of XYZ Inc. The tax credit receipt must be made out to XYZ Inc.
- (c) Contributors of rented space should be aware that the amount of the tax credit receipt should be reported as income when filing their annual tax return.
- (d) If a lease is being negotiated prior to the writ being issued, be aware that only the constituency association can be involved financially. Until the writs are issued and the candidate is registered with the Commission, the campaign cannot incur any expenses nor accept any contributions.

Tax Credit Receipts for Goods and Services

- Services provided by volunteers are not eligible for tax credit receipts.
- However, if volunteers provide food, materials to make signs, gas for their cars when running errands for the candidate, etc., then the volunteers may be reimbursed for these out-of-pocket expenses with tax credit receipts. Remember that for each tax credit receipt issued for goods and services there must be an invoice or receipt to support the expenditure.
- It is also important to remember that tax credit receipts issued for goods and services must be accounted for both as contribution income and as an expense under the appropriate expense category.
- When a tax credit receipt is issued as a reimbursement for out-of-pocket expenses the amount does not need to be reported by the contributor as income. But when a supplier agrees to accept a tax credit receipt as part payment or full payment for the goods or services provided, that supplier should report the amount of the tax credit receipt as income.
- Tax credit receipts issued for goods and services count towards a contributor's contribution limit.

Who can Contribute?

There are three types of eligible contributors:

1. Individuals whose normal residence is in Ontario,
2. Corporations carrying on business in Ontario, and
3. Labour councils and unions with bargaining rights in Ontario.

Issuing Receipts

- Be sure that the full name and address of the contributor appear on the receipt.
- If two names appear on a cheque because it is drawn on a joint bank account, issue the receipt to the person who signed the cheque.
- If two signatures appear on a cheque drawn on a joint bank account, before issuing any receipts, you must determine who made the contribution and the amount contributed by each contributor.
- When you receive a cheque from a business, such as *Joe's Garage*, which does not indicate that the business is incorporated, you must find out if it is a corporation, a sole proprietorship or a partnership. It is important that the correct source of the funds appears on the receipt. You may find out it is 123456 Ontario Ltd. (operating as Joe's Garage), or Joe's Garage Inc. or a sole proprietorship owned by Joe Black. In the case of a sole proprietorship, the owner's name and not the business name should appear on the receipt.
- You may receive a cheque from a business operating as a division of an incorporated company. For example *ABC Manufacturing, Division of XYZ Corporation*. If *ABC Manufacturing* is not incorporated then *XYZ Corporation's* name is the only one that should appear on the receipt.

- If you receive a cheque from a partnership such as *Allison Jones Black and Smith Associates* do not issue a receipt to the partnership. You must obtain a letter from the partnership listing which partners contributed and the amount of each contribution. Individual tax credit receipts can then be issued to each partner who contributed and for the amount each contributed.

Contribution Limits

Eligible contributors can give \$3,000 to candidates of any one party but no more than \$750 to any one candidate. Similarly \$3,000 can be given to constituency associations of any one party but no more than \$750 to any one association. The central party can receive \$4,000 from an eligible contributor in any year and an additional \$4,000 during a campaign period.

Note, you cannot accept contributions to a candidate's campaign before the writs are issued and the candidate is registered with the Commission. However, you can accept contributions to the association or the central party at any time.

Advertising

Before the writs for an election are issued there are no restrictions on advertising. However, once the writs are issued all commercial advertising promoting the candidate must stop. Remember, billboards are a form of commercial advertising. Commercial advertising is allowed only during the 21 days immediately preceding the day before polling day. The remainder of the writ period is considered a "blackout" period for commercial advertising.

It is permissible, however, to advertise the location of the campaign office, request the assistance of volunteers and other such items. But these advertisements cannot be used to promote the candidate.

Commercial advertising means advertising space that is purchased such as billboards, newspapers, radio and television. Therefore, lawn signs are not considered to be commercial advertising and can be displayed at any time.

Election Newsletter

Commission on Election Finances
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Campaign Expense Limit

It is very important to prepare a detailed budget so that you do not exceed the spending limit. Remember that all expenses incurred by and on behalf of the candidate's campaign are to be accounted for. These may include expenses incurred by the constituency association, by the central party or by a third party on behalf of the candidate.

The candidate's expense limit is calculated as follows:

ELIGIBLE VOTERS	AMOUNT
15,000	\$2.00 each
from 15,001 to 25,000	\$1.00 each
over 25,000	\$0.25 each

Therefore, if the enumeration of a riding finds that there are 33,641 eligible voters, the expense limit would be worked out as follows:

15,000	x \$2.00	\$30,000.00
10,000	x \$1.00	10,000.00
8,641	x \$0.25	<u>2,160.25</u>
Expense Limit		<u>\$42,160.25</u>

For the ridings of Cochrane North, Rainy River, Kenora, Lake Nipigon, Algoma and Nickel Belt an additional \$5,000 is added to the calculated expense limit.

Expenses Excluded from the Limit

Some campaign expenses are not subject to the limit. These are listed below. All other expenses incurred by or on behalf of the campaign must be accounted for as expenses subject to the limit.

- (a) Expenses incurred by the candidate when seeking nomination.
- (b) The candidate's deposit.
- (c) Audit and accounting fees.
- (d) Interest on campaign loans.
- (e) Expenses for holding fund-raising functions.
- (f) Expenses for victory parties and thank you advertising after polling day.
- (g) On-going administration costs for the running of the party or constituency association.
- (h) Transfers of money from a registered provincial constituency association, party or campaign to the candidate's campaign.
- (i) Fees to maintain a credit card facility.
- (j) Expenses for a recount.
- (k) Candidate's child care expenses.
- (l) Payments made to the candidate for salary lost during an unpaid leave of absence from work.
- (m) Rent for a temporary residence if the candidate does not live in the electoral district.
- (n) Expenses directly related to a candidate's physical disability.
- (o) Telephone installation charges.

For more detailed information read Guideline G24.

Advertising

Between the day the writs are issued and polling day there is only a 21 day period when commercial advertising can be done.

This period begins:

WEDNESDAY, MAY 17, 1995

and ends:

MIDNIGHT, TUESDAY, JUNE 06, 1995.

Commercial advertising includes advertisements in newspapers, journals, magazines, etc., promotion on TV and radio and advertisements placed on billboards, bus shelters, etc. However, it does not include genuine news reporting by the media.

The only commercial advertising that is permitted outside the 21 day period is an advertisement in a newspaper which is published only once per week and whose regular publication day falls on the day before polling day.

Billboards and advertisements on public transit buses, bus shelters and subway stations do not have to be removed on the day before polling day.

At any time during the campaign you may advertise the location of the campaign office, a request for volunteers to work in the campaign, the offer of transportation to and from the polling station and other services. You may even name the candidate and place his or her picture in this advertisement. However, it is very important to remember that the main feature of the advertisement must be the location of the office or the service offered. The advertisement must not use words such as "vote for", "the best candidate", or other forms of campaigning.

We suggest that you fax a copy of your proposed ads to the Commission for approval or amendment. In most cases, we can respond the same day if requested.

For further details about advertising during a campaign, please read Guideline G23.

Loans

Your campaign or constituency association may wish to take out a loan to help finance the candidate's campaign. Such a loan can be taken only from the following sources:

- chartered banks
- trust companies
- credit unions
- riding associations registered in Ontario
- parties registered in Ontario

Any eligible contributor may guarantee the loan.

During the campaign period the candidate may also request a loan from the above sources and may also act as a guarantor for the loan.

All loans must be recorded by the campaign or association and reported to the Commission.

If, by the end of the campaign period, the loan has not been paid in full, the amount outstanding becomes part of the campaign deficit which must be assumed by the constituency association.

For further details see Guideline G36 and sections 35 and 36 of the Election Finances Act, RSO 1990.

Change of CFO

Contrary to what you may have read or heard it is not necessary to file an interim financial statement when there is a change of CFO. All you must do is inform the Commission immediately of the change by filing an updated C-1 or A-1 form.

Is Your Candidate Registered?

If your candidate is not registered with the Commission then, although the writs have been issued, your campaign cannot accept contributions nor incur expenses. Be sure to file the Application for Registration of a Candidate Form C-1. This can be done by fax.

Election Newsletter

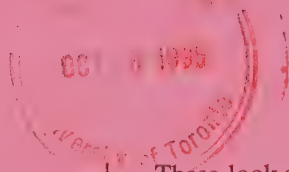
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Accepting Contributions

Candidates cannot accept contributions. Only CFOs or other persons authorized to do so may accept contributions to the candidate's campaign. The names of the people authorized to accept contributions must be noted on the Application for Registration of a Candidate Form C-1 filed with the Commission. Any changes in the information on this form must be reported to the Commission as quickly as possible by filing a new C-1 form.

When completing the tax credit receipt forms note that "date accepted" means the date the contribution was deposited in the bank.

Although the writ was issued April 28, 1995, your campaign could not accept contributions if your candidate was not registered with the Commission. Any contributions accepted after the writ was issued, but before your candidate was registered must be returned to the contributors.

Nomination Papers

Nomination papers must be filed with the returning officer for your electoral district no later than 2 p.m. on Thursday, May 25, 1995. These nomination papers must be accompanied by a \$200 deposit. Your candidate's name will then appear on the ballot. For further information contact Elections Ontario at (416) 321-3000.

Tax Credit Receipts

Do not issue association tax credit receipts for contributions to your candidate's campaign. Special tax credit receipts will be sent to you for this purpose.

These look similar to the association tax credit receipts but have a "C" before the receipt number. Shipments of receipts require a signature upon delivery, by registered mail.

Because tax credit receipts are valuable documents this is a safety precaution to avoid loss. Once you receive your supply of candidate tax credit receipts be sure to keep them in a safe place.

Remember that any unused candidate receipts must be returned to the Commission along with the audited financial statements due December 8, 1995.

Commercial Advertising

Commercial political advertising can begin on Wednesday, May 17, 1995. This unrestricted period ends at midnight on Tuesday, June 6, 1995. The only exception is advertisements in weekly newspapers whose once per week publication date falls on a Wednesday. Therefore, advertisements in such publications will be allowed on Wednesday, June 7, 1995. It will not be necessary to remove billboards or advertising on public transit systems.

Lawn signs are not considered to be commercial advertising.

Sign Placement

The Election Finances Act does not address where signs can or cannot be placed. Where public property is involved, this may fall under the jurisdiction of the local municipality or, when placed near a highway, it may fall under the jurisdiction of the Ministry of Transportation.

Picnics and Other Social Events

The expenses for all picnics and social events which fall within the campaign period are campaign expenses subject to the limit. This applies even if the picnic or other event is an annual one held by the association.

Only expenses for genuine fund-raising activities are not subject to the expense limit.

Installation of Fax Machines

As noted in our March Newsletter, telephone installation charges are not subject to the expense limit. As a fax machine is a telephone communication device it follows that the cost of installing a fax line is not subject to the expense limit. However, all telephone and fax charges, other than the initial installation costs, incurred between April 28, 1995 and June 8, 1995 are subject to the expense limit.

Campaign Office Lease Costs

If improvements or modifications were made to the office you rented for the campaign, then part of these costs are subject to the expense limit.

For example, you leased premises for four months (122 days) and carried out renovations prior to the writs being issued. The period from the day the writs were issued up to and including polling day is 42 days. Therefore, you would account for 42/122 of the renovations and lease costs as expenses subject to the limit.

GST and PST

Political organizations are not exempt from paying GST and PST. As a result, all GST and PST charges must be included in the expenses.

Campaign Subsidy

Every registered candidate who receives at least 15% of the popular vote is entitled to receive a campaign subsidy.

This amount is 20% of the spending limit or the total campaign expenses subject to the limit, whichever is less.

For example, if the expense limit for your campaign is \$45,000.00 then the maximum subsidy payable is \$9,000.00. However, if your campaign expenses subject to the limit only total \$7,950.00 then you will receive a cheque from the Commission for \$7,950.00

which is the lesser of the two amounts.

This subsidy is to help defray the cost of your campaign and must be put towards payment of any deficit. Remember that the association must assume the deficit. If your campaign has a surplus then the subsidy will become part of the surplus and must be paid over to the association.

Audit Fee Subsidy

An audit fee subsidy is paid by the Commission directly to auditors.

The maximum auditor fee subsidies payable are:

\$800.00	for a candidate's campaign period financial statements Form CR-1
\$400.00	for an association's campaign period financial statement Form CR-3
\$400.00	for an association's annual period financial statements Form AR-1

If the audit cost (fee + GST) is less than the applicable subsidy then the lesser amount will be paid. Audit costs in excess of the applicable subsidy are payable to the auditor by the campaign or the association.

Important Reminders

- Everyone is caught up in the excitement of the election campaign. However, we would like to remind those association CFO's who have not yet filed their association's 1994 Annual Return, that this is due on or before May 31, 1995.
- Did you miss receiving any of our Election Newsletters? If so, please call in or fax your request for any or all of the Election Newsletters listed below:

February 1995	Purple
March 1995	Hot Pink
May 1, 1995	Gold
May 8, 1995	Lime Green

Election Newsletter

CADON

X700

-E42

Commission on Election Finances
151 Bloor Street West
Suite 1110
Toronto, Ontario M5S 1S4

General Number: (416) 325-9401 Fax Number: (416) 325-9466

Vol. 12 Issue 7
Disponible aussi en français



May 22, 1995
ISSN 1201-6152

Issuing Tax Credit Receipts

Contributors who receive tax credit receipts must hold on to their copy until it is time to file their 1995 income tax return. It is, therefore, not essential to issue tax credit receipts immediately. This can be done at a later date, perhaps closer to the time you are ready to file the campaign period financial statements. These are to be filed on or before December 8, 1995.

If a contributor loses a tax credit receipt it is not necessary to issue a new receipt. Simply photocopy the CFO's copy of the original receipt and write beneath it "*This is a certified copy of Receipt #____*" and sign it as CFO. If, however, a contributor insists on receiving a new receipt, be sure to cross reference the receipt by printing "*Replacing Receipt #____*" on the new tax credit receipt you are issuing.

Remember that tax credit receipts are very valuable documents and should be kept in a safe place. Any unused candidate tax credit receipts must be returned to the Commission when you file your **Candidate Campaign Period Financial Statements Form CR-1**.

Tax Credit Receipts for Goods and Services

Do not issue tax credit receipts for goods and services to volunteers working in your campaign.

Remember that contributions of goods and services must be added to any other contributions made by that person to ensure that the \$750 contribution limit is not exceeded. It is very important to read Guideline G35 before issuing any tax credit receipts for contributed goods and services.

It is also important to remember that all contributions of goods and services must be accounted for both as income and as an expense in the appropriate expense category.

Ineligible Sources of Funds

A provincial association or campaign must not accept contributions or transfers of funds from federal associations or parties.

A further prohibited source of contributions for a candidate's campaign is provincially affiliated political organizations such as youth groups. These groups may contribute to the riding association but not to the candidate's campaign.

Conditional Contributions

You must not accept any contribution which has a condition attached to it. For example, if someone gives you \$100 with the condition that you use it to place an advertisement in a newspaper, this is not an acceptable contribution. Contributions must be made with the understanding that they are for the general purposes of the recipient, that is, the campaign, the association or the party.

The cheque must also be made out to the organization for which it is intended. For example, if the contribution is for the candidate's campaign then it must be made out to the candidate's campaign. It cannot be made out to the association. A cheque made out to the association cannot be endorsed over to the candidate's campaign and vice versa.

Campaign Inventory

Many associations have held in inventory such items as stakes, signs and office supplies for use in the election campaign. Any such inventory held by the association must be accounted for by the candidate's campaign as an expense subject to the limit if it is available for use during the campaign.

If inventory was discovered to be useless, then the Commission will require proof of destruction of those items that were listed by the association as being on hand. Such proof would be a destruction certificate from a disposal company with details of the items that were disposed of. It could also be a signed affidavit from the person responsible for storing the inventory stating that it had deteriorated beyond usefulness.

It is also important to note that provincial campaigns cannot accept donations of campaign materials from federal political organizations. Signs etc., can be **bought** from a federal riding association but the cost must be the same price as would be paid to any other supplier of the same materials, that is, fair market value.

Independent Candidates

Some candidates who are affiliated with a registered political party are running in ridings where that party has no registered constituency association. These candidates are treated by the Commission as independent candidates.

Registered parties, candidates and constituencies of the same party can transfer funds, goods or services amongst themselves. However, registered parties, candidates and constituency associations cannot make any transfers to or receive any transfers from an independent candidate even though the candidate is affiliated with the party.

The *Election Finances Act* also prohibits your party and its registered candidates and associations from transferring any funds, goods and services to another party or its registered candidates and associations.

Advertising Blackout

The allowed period for commercial advertising started **Wednesday, May 17, 1995** and will end at **midnight, Tuesday, June 6, 1995**. The following are the only exceptions:

- (a) Advertisements in a weekly newspaper whose day of regular publication is a Wednesday. This newspaper must publish only once per week.
- (b) Advertisements which offer services such as baby-sitting for voters, rides to the polls, etc.

It will **not** be necessary to remove commercial billboards or advertisements on public transit facilities.

Collect Station-to-Station Calls

Please note that if you are calling long distance the Commission will accept station-to-station collect calls. Give the person who answers your call your name, the town or city you are calling from and your phone number.

Election Newsletter

CADON
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Commission on Election Finances
151 Bloor Street West
Suite 1110
Toronto, Ontario M5S 1S4

General Number: (416) 325-9401 Fax Number: (416) 325-9466

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May 29, 1995
ISSN 1201-6152

IMPORTANT MESSAGE REGARDING SIGN DESTRUCTION

Some campaigns may be experiencing sign destruction. The sign destruction itself is not a matter that the Commission has any power to deal with. Normal, random sign damage is expected in every campaign. If you have experienced substantial destruction of signs due to systematic and concerted acts of vandalism, you should consider filing a written report with the local police.

A campaign which has experienced substantial sign destruction may ask the Commission to consider treating the cost as not being subject to the spending limit. The Commission is prepared to look at such requests on a case-by-case basis. When submitting your request, be sure to include a copy of the report filed with the police, the estimated cost to replace the signs that were destroyed, and any other information to assist the Commission in making a decision.

End of Commercial Advertising

Commercial advertising must end at midnight on Tuesday June 6, 1995.

The only exceptions are:

- (a) Advertisements in a weekly newspaper whose day of regular publication is a Wednesday. This newspaper must publish only once per week.
- (b) Advertisements which offer services such as baby-sitting for voters, rides to the polls, etc.

It will not be necessary to remove commercial billboards or advertisements on public transit facilities.

Campaign Expense Limit

The candidate's campaign expense limit is calculated as follows:

ELIGIBLE VOTERS	AMOUNT
15,000	\$2.00 each
from 15,001 to 25,000	\$1.00 each
over 25,000	\$0.25 each

Cochrane North, Rainy River, Kenora, Lake Nipigon, Algoma and Nickel Belt receive an additional \$5,000.

Once the enumeration figures have been finalized and we receive them from Elections Ontario we will confirm the spending limit figures with you.

Campaign Bookkeeping

Remember that it is essential to keep a record of each contribution and each expense, no matter how small. We suggest that you discuss with your auditor the most practical method for you to use so that when it comes time to present the books for audit there will be a clear paper trail for all transactions. For expenses, we suggest you use the expense categories listed in the campaign financial statements.

Both the association and the candidate will be required to file campaign period financial statements with the Commission on or before December 8, 1995. The candidate's CFO will file the **Candidate Campaign Period Financial Statements Form CR-1** and the association's CFO will file the **Association Campaign Period Financial Statement Form CR-3**. Blank forms will be mailed to CFOs and auditors in July.

Expenses Excluded from the Limit

Some campaign expenses are not subject to the limit. These are listed below. All other expenses incurred by or on behalf of the campaign must be accounted for as expenses subject to the limit.

- (a) Expenses incurred by the candidate when seeking nomination.
- (b) The candidate's deposit.
- (c) Audit and accounting fees.
- (d) Interest on campaign loans.
- (e) Expenses for holding fund-raising functions.
- (f) Expenses for victory parties and thank you advertising after polling day.
- (g) On-going administration costs for the running of the party or constituency association.
- (h) Transfers of money from a registered provincial constituency association, party or campaign to the candidate's campaign.
- (i) Fees to maintain a credit card facility.
- (j) Expenses for a recount.
- (k) Candidate's child care expenses.
- (l) Payments made to the candidate for salary lost during an unpaid leave of absence from work.
- (m) Rent for a temporary residence if the candidate does not live in the electoral district.
- (n) Expenses directly related to a candidate's physical disability.
- (o) Telephone installation charges.

For more detailed information read Guideline G24.

Contributions

Contributions to a candidate's campaign can be made until **September 8, 1995**. All contributions, no matter how small, must be receipted. Contributions of \$25 or less can be accepted in cash but those over \$25 must be in the form of a cheque, a money order or a credit card. The contribution must be the contributor's own funds.

If you discover that you have mistakenly issued a tax credit receipt to an ineligible contributor, you must retrieve the tax credit receipt you have issued, and then refund the contribution. Do not refund an ineligible contribution if you cannot obtain the original receipt.

Where a tax credit receipt for an ineligible contribution cannot be recovered from the contributor the amount of the contribution must be paid to the Commission.

Remember that tax credit receipts are very valuable documents and it is important to keep them in a safe place. When you have used your supply, contact the Commission and more tax credit receipts will be sent to you by registered mail.

When the financial statements are filed with the Commission all tax credit receipts must be accounted for. Unused "C" receipts must be returned to the Commission with the filing along with the Commission's copy of all issued tax credit receipts. We need both the contributor's copy and the Commission's copy of all void and spoiled receipts.

Contributions of Goods and Services

Contributors of goods or services valued at more than \$100 must receive a tax credit receipt for the value of the goods or services provided.

If the goods or services donated have a value of less than \$100 then the providers of the goods or services can decide that these are not a contribution and no tax credit receipt needs to be issued.

However, the goods and services donated that are less than \$100 and not receipted must still be reported both as income and an expense in the appropriate expense category. The income will be reported as "other income-donated goods and services of \$100 or less". If a contributor donates more than once goods or services less than \$100 but the total of contributed goods and services is more than \$100, then the total amount must be considered a contribution and a tax credit receipt must be issued for that amount.

Election Newsletter

Commission on Election Finances
151 Bloor Street West
Suite 1110
Toronto, Ontario M5S 1S4

General Number: (416) 325-9401 Fax Number: (416) 325-9466

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June 5, 1995
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End of Commercial Advertising Period

Commercial advertising must end at midnight on Tuesday June 6, 1995.

The only exceptions are:

- (a) Advertisements in a weekly newspaper whose day of regular publication is a Wednesday. This newspaper must publish only once per week.
- (b) Advertisements which offer services such as baby-sitting for voters, rides to the polls, etc.

It will not be necessary to remove commercial billboards or advertisements on public transit facilities.

Changes in Registration Information

All registered candidates have filed with the Commission the Candidate Registration And Change Notice Form C-1. Should there be any change in the information on that form you must file a new C-1 form with the Commission as quickly as possible.

All information on the C-1 form filed with the Commission must be kept up-to-date until the Candidate Campaign Period Financial Statements Form CR-1 are filed with the Commission on or before December 8, 1995.

Campaign Inventory and Prepaid Expenses

Many riding associations had campaign inventory such as sign materials on hand when the writs were issued. This inventory must be transferred to the campaign and must be accounted for as an expense subject to the limit. If the inventory had been on hand for more than one year, then it would be valued at replacement cost. If it had been purchased during the year prior to the campaign then it would be valued at invoice price.

Prepaid expenses relating to the campaign period must also be transferred to the campaign and must be accounted for as expenses subject to the limit. An example of such an expense would be campaign office rent prepaid by the riding association for the entire period of the lease. The portion of the rent and improvements to the premises applicable to the period from the writs to polling day would be calculated by prorating the total cost for the 42-day campaign period. For example, premises are rented for 90 days at a total rental of \$3,000 with leasehold improvements totalling \$1,500. To calculate the portion of the cost which will be reported as a campaign expense subject to the limit, you must multiply \$4,500 by 42/90 which equals \$2,100.

Tax Credit Receipts & Fund-Raising Activities

This is to inform you of a new Commission policy.

Effective July 1, 1995, in the case of banquets, cocktail parties, entertainment events and similar fund-raising events or where a portion of any contribution is refunded by way of a gift or rebate, the amount shown on the tax credit receipt must be limited to the net value of the contribution.

For example, if a contributor is offered a gift worth \$25 for each \$200 contribution, a tax credit receipt for only \$175 is to be issued. In the case of a fund-raising event, if the price of admission is \$300 and includes a dinner and dance which costs \$50 when expenses for food, gratuities and complimentary liquor are determined, a tax credit receipt for only \$250 is to be issued.

This policy does not apply to the cost of admission to meetings, seminars, workshops and conferences if held in Ontario. Revised copies of affected guidelines will be issued.

Newsletters

This is the last *Election Newsletter* until after polling day. If you are missing any of the newsletters or would like to have a few extra copies, please contact us. *Election Newsletters* are dated:

January 1995 - White
February 1995 - Purple
March, 1995 - Hot Pink
May 1, 1995 - Gold
May 8, 1995 - Lime Green
May 15, 1995 - Cherry
May 22, 1995 - Turquoise
May 29, 1995 - Pewter Grey

Help is Available

Assistance with all your questions is only a phone call away. Station-to-station collect calls are accepted.

Newly Registered Political Party

The Natural Law Party nominated 68 candidates and it is now registered as a political party in Ontario. There are now 10 registered political parties in Ontario. These are listed below with the number of candidates nominated for each along with independent candidates.

Communist Party of Canada (Ontario)	5
Ontario Provincial Confederations of Regions Party	6
Family Coalition Party of Ontario	55
Freedom Party of Ontario	12
The Green Party of Ontario	37
Ontario Liberal Party	130
Ontario Libertarian Party	18
Natural Law Party	68
New Democratic Party of Ontario	130
Progressive Conservative Party of Ontario	130
Independent Candidates	61

Every candidate must register with the Commission before polling day. To date, 14 candidates have not registered with the Commission.

A Message From the Chair...

During the campaign we documented well over 1,000 telephone calls related to this general election. Add to that, we answered an estimated 2,000 calls of a general nature. We sent out 32,000 copies of our newsletters. We conducted eleven special seminars in seven different locations. Calls were efficiently directed by Karen Hayes, Wendy Hwang or Louise Pequenez on reception to Julie Fleming, Ralph Gaston, Roy Snider or Eileen De Calderón. Donna Aceto and Eileen De Calderón produced these newsletters. When things really got busy we took George Manios away from his municipal duties. The Executive Director, Gord Kushner, also took many calls and complaints and led all the seminars.

Thanks to all of the staff for demonstrating excellent team-work and serving you well.

Thank you to everyone who called. We hope that we gave you good service and information either in this series of newsletters or in personal contact. If you have comments, good or bad, please drop us a line. We appreciate the good comments and can learn and improve from the bad.

We look forward to receiving your returns on time prior to December 8, 1995 and working with you to clarify any questions.

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ELECTION FINANCES Newsletter

VOL. 13 NO. 1 (Special)
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JAN 3 1996

JANUARY 1996
ISSN 1201-6152

This is the Law

The 1995 annual financial statements must be filed with the Commission on or before May 31, 1996. The penalty for non-filing is deregistration and possible prosecution.

The Commission unanimously passed the following motions at its November 15, 1995 meeting:

Any constituency association which has not filed their 1995 Constituency Association Annual Financial Statements, form AR-1, postmarked on or before May 31, 1996 will be notified by registered mail that the Commission proposed that the constituency association be deregistered on July 2, 1996 and that the Commission will consider prosecution which might result in a fine of up to \$1,000, unless prior to that date the return has been filed. Further, that this policy be communicated to all constituency association chief financial officers and auditors by means of a special bulletin.

Any political party which has not filed their 1995 Political Party Annual Financial Statements, Form AR-10, postmarked on or before May 31, 1996 will be notified by registered mail that the Commission proposed that the political party be deregistered on July 2, 1996 and that the Commission will consider prosecution which might result in a fine of up to \$2,000, unless prior to that date the return has been filed. Further, that this policy be communicated to all political party chief financial officers and auditors by means of a special bulletin.

Two copies of the AR-1, Constituency Association Annual Financial Statements, were sent to all CFOs and auditors. The AR-1 is also available on diskette, on the 5.1 version of WordPerfect. Let us know if you would like a copy. It's free. Just tell us the diskette size you require.

The return will not be considered filed if any of the following information is missing:

- the CFO's signature
- the auditor's signed report
- the required schedules
- the Commission's copies of all official receipts that were used

Thank You

The Commission would like to thank those CFOs who do file on or before the May 31, 1996 deadline.

Keep in Touch

The Commission's staff looks forward to working with you. Call us with your questions or concerns about election finances. Help is just a phone call away.

You can call us station-to-station, collect, within Ontario.

Guideline Updates

Release No. 18 & (Release No. 18P only to Political Parties) - January 1996

The provincial guideline updates were sent to all CFOs, auditors and MPPs. Please note that party and leadership guidelines updates were only sent to registered political parties.

Leadership Guidelines G14, G15, and G16:

These guidelines have been revised to reflect the Commission's decision that restricting the activities of a leadership contestant before a leadership contest is announced goes beyond the authority of the Commission. They also incorporate the July 1995 revision to Guideline G31 that limits the amount of a tax credit receipt to the net value of a contribution.

The revisions to Leadership Guidelines G14, G15, and G16 were only sent to registered political parties.

Guideline G24:

Item (n) has been added to paragraph .01 and states that *installation costs* for telephones in a campaign office are not subject to the campaign expense limit. However, line and equipment rentals are subject to the limit.

Item (o) has been added to paragraph .01 and states that *insurance premiums* or the cost of damages and settlement of a claim where no insurance coverage was provided are not subject to the campaign expense limit.

Party Guideline PG00:

A new Party Guideline PG00 has been created and deals with the registration of a political party. A copy of the form *Petition to Register a Political Party* has also been included as part of the new guideline.

Form P-1, *Political Party Registration and Change Notice Form*, has also been revised. The form now requires certification from both the outgoing and newly-appointed Presidents and CFOs on record with the Commission before a request to change the principal officers of a political party is accepted by the Commission.

The new Party Guideline PG00 were only sent to registered political parties.

Guideline G21.02:

All examples other than charitable corporations have been deleted from paragraph .02 of Guideline G21.

Guidelines G31.10 and G23.05(a):

The revisions reflect the Commission's decision that commercial advertising for a fund-raising activity during the blackout period is not subject to media advertising restrictions, or the campaign expense limit, provided that the activity is held for the purpose of making a profit, and does not contain any material which promotes the candidate.

Guidelines, G05, G06, G11, G16, PG01, and PG02:

The Checklists for the guidelines noted above incorporate the July 1995 revisions to Guideline G31 that limits the amount of a tax credit receipt to the net value of a contribution.

The revisions to Guidelines G16, PG01, and PG02 were only sent to registered political parties.

Individual guidelines or a complete set of guidelines can be ordered free of charge from the Commission.

This newsletter is published by the:

Commission on Election Finances
1110 - 151 Bloor St. W.
TORONTO, Ontario M5S 1S4

Phone: 416-325-9401

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NEWSLetter

VOLUME 14 ISSUE 1

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FEBRUARY 1997

ISSN 1201-6152

This is the Law

Your 1996 annual return can be filed with the Commission anytime now but no later than May 31, 1997.

Every year over 85% of constituency associations meet the deadline. Stay with the majority--file on time again this year.

The penalty for non-filing or late-filing is deregistration and possible prosecution. Nevertheless, late filings continue to be a problem year after year.

Important Checklist

Before you send in your return make sure that:

- ☐ it is signed by the CFO,
- ☐ a signed auditor's report is included,
- ☐ all of the required schedules have been completed, and
- ☐ the Commission's copies of all official receipts that were used are included.

If **any** of the above information is missing, your return **will not be** considered filed.

Don't forget to enclose your auditor's bill with your filing.

The Commission passed the following motion at its January 22, 1997 meeting:

It was moved, seconded and carried that any constituency association which has not filed their 1996 Constituency Association Annual Financial Statements, Form AR-1, postmarked on or before May 31, 1997 will be notified by registered mail that the Commission proposes that the constituency association be deregistered on June 30, 1997 and that the Commission will consider prosecution which might result in a fine of up to \$1,000, unless prior to that date the return has been filed. Further, that this policy be communicated to all constituency association chief financial officers and auditors by means of a special bulletin.

A similar resolution was passed affecting the parties.

AR-1 Available on Disk

Form AR-1, Constituency Association Annual Financial Statements, is available on WordPerfect 5.1 DOS. On request, we will provide you with a disk free of charge.

Goodbye Goods & Services Receipts

The Commission has proposed an amendment to the Act to abolish tax credit receipts for goods and services contributions.

This is an area of major concern to the Commission. There is potential for abuse of the tax credit system if overvalued receipts or receipts for questionable goods and services are issued.

Some parties and associations are issuing receipts for what appears to be normal volunteer activity. Services provided by volunteers are **not** eligible for tax credit receipts.

It appears that the valuation of some goods and services is driven by the contribution limit rather than the concept of fair market value.

Good and services contributions are not receipted federally. Ontario is the only province that permits goods and services contributions to be receipted.

The Commission has a responsibility to ensure that all receipts are issued in compliance with the EFA and its guidelines.

Revenue Canada and the Ontario Ministry of Finance have been informed of the seriousness of this matter.

Contributors should be informed of their obligation to declare as taxable income the value of any services contributed to political organizations for which they have received a receipt.

Until the Legislature has passed the proposed amendment, the Commission will continue to strictly enforce Guideline G35, Contributions of Goods and Services, and the provisions of the EFA dealing with goods and services contributions and voluntary services.

A \$70,000 Savings!

The Commission reviewed all audit fees charged in the 1995 general election for "nil" returns. It requested justification of the audit fee where the claim for a subsidy seemed inappropriate. This resulted in a \$70,502 overall audit subsidy reduction.

Subsequently, some auditors also reduced their fees for auditing the annual financial statements.

The Commission has indicated that it will take all reasonable steps to satisfy itself that the amount of a subsidy claim is reasonable before it authorizes payment from the public purse.

We Are On the Internet

The Commission is on the Internet.

Our Internet address is:

<http://www.newswire.ca/coef>

The Internet is available at some public libraries across Ontario.

What's On Our Internet Site?

- ▶ *Election Finances Act* (EFA, RSO 1990)
- ▶ Guidelines for Chief Financial Officers
- ▶ Excerpts from the 1995 Annual Report
- ▶ A List of Registered Political Parties in Ontario
- ▶ Requests to Register the Name of a New Political Party
- ▶ Newsletters
- ▶ Brochures
- ▶ Blank Forms
- ▶ Annual Returns
 - the names **only** of contributors who gave more than \$100 to a party or a constituency association and the amount they contributed
 - a summary of income received and a schedule of expenses incurred by each constituency association
- ▶ 1995 General Election
 - the names **only** of contributors who gave more than \$100 to a party, constituency association or a candidate and the amount they contributed
 - a combined summary of income received and expenses incurred by each candidate and constituency association

Much of the current information that is available for viewing at our office is on the Internet.

A detailed index of the information the Commission has put on the Internet will appear on your screen when you call our Internet address. This information can be downloaded onto your computer free of charge. It is available in English and in French.

Information on the Internet is not to be used for commercial solicitation purposes.

Ontario has a New Party

On January 22, 1997 the Commission registered the **Reform Party of Ontario** as a political party in Ontario.

Ontario now has 11 registered political parties.

Redistribution

All existing constituency associations must be dissolved on or before January 1, 1998.

The parties have been asked to inform the Commission how they plan to proceed with the redistribution process.

Before the existing constituency associations can be dissolved, each party must inform the Commission in writing of the way it has chosen to transfer the assets and liabilities of its existing associations.

The assets and liabilities of existing constituency associations may be transferred to:

1. one or more newly registered associations,
2. the registered party, or
3. one or more newly registered associations and the registered party

By March 31, 1998 each "old" association must file with the Commission a statement of assets and liabilities, if any, it held when it was dissolved.

Contact your party for details of its redistribution plan. The Commission will assist you with this process.

The Netting Policy

The Commission's netting policy has been in effect since July 1, 1995.

The policy states that the amount of the tax credit receipt **must** be limited to the net value of the contribution. In the case of banquets, cocktail parties, entertainment events and other similar fund-raising events, or where a portion of any contribution is refunded by a gift or a rebate, **the amount shown on the tax credit receipt must be limited to the net value of the contribution.**

For example, if a contributor is given a gift worth \$25 for a \$200 contribution, a tax credit receipt for \$175 must be issued to the contributor.

If the price of admission to a fund-raising event is \$300 and it includes a dinner which costs \$50 when all of the expenses have been determined, a tax credit receipt for \$250 must be issued to the contributor.

Guideline G31, Fund-Raising Activities, has been revised and clarifies certain situations that have come up since July 1, 1995.

Only One Act Reference

In 1990 sections 12 and 45 of the Election Finances Act, 1986 were repealed, the Act was renamed the Election Finances Act and the sections of the Act were renumbered.

Currently, the Commission quotes both the EFA, 1986 and the EFA, RSO 1990 versions of the Act in its correspondence, guidelines and other publications.

Effective immediately, the Commission will only refer to the numbering in the RSO 1990 version of the EFA.

Because of possible amendments to the Act we will not be revising the Commission's guidelines and other publications at this time--they will continue to quote both Acts. It is more cost effective to make one set of changes after the Act is amended.

Bilingual copies of the EFA, RSO 1990 [amended to September 1992] can be obtained for \$6.00 + GST from:

Publications Ontario
50 Grosvenor Street
TORONTO, Ontario M7A 1N8

416-326-5300 or 1-800-668-9938

Copies of the EFA, RSO 1990 are available on our Internet site, free of charge.

Guideline Updates

Release No. 19 - December 1996

In December 1996, the following provincial guideline updates were sent to all political parties, constituency association CFOs, auditors and MPPs. If you have not already done so, review the new material and file it in your guideline binder. If you haven't received this update, please contact our office and we will send you individual guidelines or a complete set of guidelines free of charge.

Highlights of the updates are listed below:

G22 - Receipts for Contributions

Paragraph .13a dealing with partnership receipts has been added to Guideline G22. The new section permits CFOs, upon completion of the required attestation, to issue individual receipts to contributing partners when the original receipt, issued by mistake to the partnership, cannot be recovered.

G31 - Fund-Raising Activities

Paragraphs .03c, .03d and .03e have been added to Guideline G31 to clarify the Commission's policy that where a portion of any contribution is refunded by way of a gift or a rebate, the amount shown on the tax credit receipt must be limited to the net value of the contribution.

G38 - Public Access to Information

Paragraph .01 of Guideline G38 has been revised to include the Commission's participation on the Internet.

Municipal Elections

The Commission is no longer involved in municipal elections.

Bill 86, *An Act to provide for better local government by updating and streamlining the MEA and MA, and related statutes* makes the municipal clerks responsible for administering all aspects of municipal elections, including the municipal election finances provisions of the MEA and requests for compliance audits.

If you require further information or clarification regarding municipal election matters contact your local clerk or the Ministry of Municipal Affairs.

Keep in Touch

We remain available to assist you, call us with your questions or concerns. We accept station-to-station collect calls.

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May 5, 1999

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Campaign Expense Limit

It is very important to prepare a detailed budget so that you do not exceed the spending limit. Remember that all expenses incurred by and on behalf of the candidate's campaign are to be accounted for. These may include expenses incurred by the constituency association, by the central party or by a third party on behalf of the candidate.

The candidate's expense limit is calculated very easily -- it is 96 cents for each eligible voter in your electoral district. Therefore, if the final list of voters of a riding finds that there are 33,641 eligible voters, the expense limit would be \$32,295.36.

A further limit of \$7,000.00 is allowed to candidates in the electoral districts of Algoma-Manitoulin, Kenora-Rainy River, Nickel Belt, Thunder Bay-Atikokan, Thunder Bay-Superior North, Timiskaming-Cochrane, and Timmins-James Bay.

Campaign Expense Exceptions

The following are the only expenses which are excluded from the spending limit:

- (a) expenses incurred by a candidate in seeking nomination in accordance with the Election Act,
- (b) a candidate's deposit as required under the Election Act,
- (c) auditor's and accounting fees,
- (d) interest on loans authorized under section 35,
- (e) expenses incurred in holding a fund-raising activity referred to in section 23,
- (f) expenses incurred for "victory parties" held and "thank you" advertising published after polling day,
- (g) expenses incurred in relation to the administration of the political party or constituency association,
- (h) transfers authorized under section 27,
- (i) fees paid in respect of maintaining a credit card facility,
- (j) expenses relating to a recount in respect of the election,
- (k) child care expenses of a candidate and other expenses not of partisan value that are set out in guidelines provided by the Chief Election Officer under clause 2 (1) (j),
- (l) expenses relating to research and polling,
- (m) travel expenses; and
- (n) expenses directly related to a candidate's physical disability as defined in the Ontario Human Rights Code.

Campaign expenses are deemed to include the value of any goods held in inventory or any fees or expenses for services for any candidate or political party, and any contribution of goods and services to the political party, constituency association or candidate registered under the Election Finances Act, for use in whole or in part during the period commencing with the issue of the writ for an election and terminating on polling day.

Advertising

Between the day the writs are issued and polling day there is only a 21 day period when commercial advertising can be done.

THIS PERIOD BEGINS: **WEDNESDAY, MAY 12, 1999**
AND ENDS: **MIDNIGHT, TUESDAY, JUNE 1, 1999.**

Commercial advertising includes advertisements in newspapers, journals, magazines, etc., promotion on TV and radio and advertisements placed on billboards, bus shelters, the internet, etc. However, it does not include genuine news reporting by the media.

The only commercial advertising that is permitted outside the 21 day period is an advertisement in a newspaper which is published only once per week and whose regular publication day falls on the day before polling day. Billboards and advertisements on public transit buses, bus shelters and subway stations do not have to be removed during a blackout period. However, a political advertisement on the Internet or in a similar electronic medium, if posted before and not altered during a blackout period.

At any time during the campaign you may advertise the location of the campaign office, a request for volunteers to work in the campaign, the offer of transportation to and from the polling station and other services. You may even name the candidate and place his or her picture in this advertisement. However, it is very important to remember that the main feature of the advertisement must be the location of the office or the service offered. The advertisement must not use words such as "vote for", "the best candidate", or other forms of campaigning.

For further details about advertising during a campaign, please read Guideline G23.

Loans

Your campaign or constituency association may wish to take out a loan to help finance the candidate's campaign. Such a loan can be taken only from the following sources:

- chartered banks
- trust companies
- credit unions
- riding associations registered in Ontario
- parties registered in Ontario

Any eligible contributor may guarantee the loan. During the campaign period the candidate may also request a loan from the above sources and may also act as a guarantor for the loan. All loans must be recorded by the campaign or association and reported on the campaign financial statement. If, by the end of the campaign period, the loan has not been paid in full, the amount outstanding becomes part of the campaign deficit which must be assumed by the constituency association.

For further details see Guideline G36 and sections 35, 36 and 44 of the Election Finances Act.

Change of CFO

Contrary to what you may have read or heard it is not necessary to file an interim financial statement when there is a change of CFO. All you must do is inform us immediately of the change by filing an updated C-1 or A-1 form.

Is Your Candidate Registered?

If your candidate is not registered with us, although the writs have been issued, your campaign cannot accept contributions nor incur expenses. Be sure to file the Application for Registration of a Candidate Form C-1. This can be done by fax. When faxing, please use a cover sheet.

Newsletter Back Issues

If you are missing any of the previous newsletters please contact us. Election Finances Newsletters are dated:

March 4, 1999 - Purple
April 1, 1999 - Hot pink
May 1, 1999 - Gold

Election Finances Newsletter

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Accepting Contributions

Candidates cannot accept contributions. Only CFOs or other persons authorized to do so may accept contributions to the candidate's campaign. The names of the people authorized to accept contributions must be noted on the Application for Registration of a Candidate Form C-1 filed with us. Any changes in the information on this form must be reported to us as quickly as possible by filing a new C-1 form.

When completing a tax credit receipt form note that "*date accepted*" means the date the contribution was deposited in the bank.

Although the writ was issued May 5, 1999, your campaign could not accept contributions if your candidate was not registered with us. Any contributions accepted after the writ was issued, but before your candidate was registered must be returned to the contributors.

Nomination Papers

Nomination papers must be filed with the returning officer for your electoral district no later than 2 p.m. on Thursday, May 20, 1999. These nomination papers must be accompanied by a \$200 deposit. Your candidate's name will then appear on the ballot. For further information contact Elections Ontario at 1-888-668-8683 or 416-326-6300.

Tax Credit Receipts

Do not issue association tax credit receipts for contributions to your candidate's campaign. Special tax credit receipts will be sent to you for this purpose. These look similar to the association tax credit receipts but have a "C" before the receipt number. Shipments of receipts require a signature upon delivery, by registered mail or by courier.

Because tax credit receipts are valuable documents your supply of tax credit receipts should be kept in a safe place.

Remember that any unused candidate receipts must be returned to us along with the audited financial statements due December 3, 1999.

Commercial Advertising

Commercial political advertising began on Wednesday, May 12, 1999. This unrestricted period ends at midnight on Tuesday, June 1, 1999. The only exception is advertisements in weekly newspapers whose once per week publication date falls on a Wednesday. Therefore, advertisements in such publications will be allowed on Wednesday, June 2, 1999. It will not be necessary to remove billboards or advertising on public transit systems. Lawn signs are not considered to be commercial advertising.

Sign Placement

The Election Finances Act does not address where signs can or cannot be placed. Where public property is involved, this may fall under the jurisdiction of the local municipality or, when placed near a highway, it may fall under the jurisdiction of the Ministry of Transportation.

Picnics and Other Social Events

The expenses for all picnics and social events which fall within the campaign period are campaign expenses subject to the limit. This applies even if the picnic or other event is an annual one held by the association. Only expenses for genuine fund-raising activities are not subject to the expense limit.

Installation of Telephones

Telephone installation charges are subject to the expense limit even if installed prior to May 5, 1999. A fax machine is a telephone communication device. It follows that the cost of installing a fax line is subject to the expense limit. All telephone line and fax line charges, incurred between May 5, 1999 and June 3, 1999 are subject to the expense limit.

Campaign Office Lease Costs

If improvements or modifications were made to the office you rented for the campaign, then part of these costs are subject to the expense limit.

For example, you leased premises for four months (122 days) and carried out renovations prior to the writs being issued. The period from the day the writs were issued up to and including polling day is 29 days. Therefore, you would account for 29/122 of the renovations and lease costs as expenses subject to the limit.

GST and PST

Political organizations are not exempt from paying GST and PST. As a result, all GST and PST charges must be included in the expenses.

Campaign Subsidy

Every registered candidate who receives at least 15% of the popular vote is entitled to receive a campaign subsidy.

This amount is 20% of the spending limit or 20% of total campaign expenses subject to the limit, whichever is less.

For example, if the expense limit for your campaign is \$45,000.00 then the maximum subsidy is \$9,000.00. However, if your campaign expenses subject to the limit only total \$7,950.00 then the subsidy will be \$1,590.00, the lesser of the two amounts calculated.

This subsidy is to help defray the cost of your campaign and must be put towards payment of any deficit. Remember that the association must assume the deficit. If your campaign has a surplus then the subsidy will become part of the surplus and must be paid over to the association.

Audit Fee Subsidy

An audit fee subsidy is paid by the Chief Election Officer directly to auditors.

The maximum auditor fee subsidies payable are:

\$1,000.00	for a candidate's campaign period financial statements Form CR-1
\$ 600.00	for an association's campaign period financial statement Form CR-3
\$ 600.00	for an association's annual period financial statements Form AR-1

If the audit cost (fee + GST) is less than the applicable subsidy then the lesser amount will be paid. Audit costs in excess of the applicable subsidy are payable to the auditor by the campaign or the association.

Important Reminders

- Everyone is caught up in the excitement of the election campaign. However, we would like to remind those association CFO's who have not yet filed their association's 1998 Annual Return, that this is due on or before May 31, 1999.
- Did you miss receiving any of our Election Newsletters? If so, please call in or fax your request for any or all of the Election Newsletters listed below:

March 4, 1999	Purple
April 1, 1999	Hot Pink
May 1, 1999	Gold
May 5, 1999	Lime Green

These are also available on our internet site <http://www.newswire.ca/coef>.

Election Finances Newsletter

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Issuing Tax Credit Receipts

Contributors who receive tax credit receipts must hold on to their copy until it is time to file their 1999 income tax return. It is, therefore, not essential to issue tax credit receipts immediately. This can be done at a later date, perhaps closer to the time you are ready to file the campaign period financial statements. These are to be filed on or before December 3, 1999.

If a contributor loses a tax credit receipt it is not necessary to issue a new receipt. Simply photocopy the CFO's copy of the original receipt and write beneath it "*This is a certified copy of Receipt #_____*" and sign it as CFO. If, however, a contributor insists on receiving a new receipt, be sure to cross reference the receipt by printing "*Replacing Receipt #_____*" on the new tax credit receipt you are issuing.

Remember that tax credit receipts are very valuable documents and should be kept in a safe place. Any unused candidate tax credit receipts must be returned to us when you file your Candidate Campaign Period Financial Statements Form CR-1.

Tax Credit Receipts for Goods and Services

Do not issue tax credit receipts for goods and services to volunteers working in your campaign.

Remember that contributions of goods and services must be added to any other contributions made by that person to ensure that the \$1,000 contribution limit is not exceeded. It is very important to read Guideline G35 before issuing any tax credit receipts for contributed goods and services.

It is also important to remember that all contributions of goods and services must be accounted for both as income and as an expense in the appropriate expense category.

Contributions of Goods and Services

Contributors of goods or services valued at more than \$100 must receive a tax credit receipt for the value of the goods or services provided. If the goods or services donated have a value of less than \$100 then the providers of the goods or services can decide that these are not a contribution and no tax credit receipt needs to be issued. However, the goods and services donated that are less than \$100 and not receipted must still be reported both as income and an expense in the appropriate expense category. The income will be reported as "other income--donated goods and services of \$100 or less". If a contributor donates more than once goods or services less than \$100 but the total of contributed goods and services is more than \$100, then the total amount must be considered a contribution and a tax credit receipt must be issued for that amount.

Ineligible Sources of Funds

A provincial association or campaign must not accept contributions or transfers of funds from federal associations or parties.

Conditional Contributions

You must not accept any contribution which has a condition attached to it. For example, if someone gives you \$100 with the condition that you use it to place an advertisement in a newspaper, this is not an acceptable contribution. Contributions must be made with the understanding that they are for the general purposes of the recipient, that is, the campaign, the association or the party.

The cheque must also be made out to the organization for which it is intended. For example, if the contribution is for the candidate's campaign then it must be made out to the candidate's campaign. It cannot be made out to the association. A cheque made out to the association cannot be endorsed over to the candidate's campaign and vice versa.

Contributions

Contributions to a candidate's campaign can be made until **September 3, 1999**. All contributions, no matter how small, must be receipted. Contributions of \$25 or less can be accepted in cash but those over \$25 must be in the form of a cheque, a money order or a credit card. The contribution must be the contributor's own funds.

If you discover that you have mistakenly issued a tax credit receipt to an ineligible contributor, you must retrieve the tax credit receipt you have issued, and then refund the contribution. Do not refund an ineligible contribution if you cannot obtain the original receipt.

Where a tax credit receipt for an ineligible contribution cannot be recovered from the contributor the amount of the contribution must be paid to the Chief Election Officer.

Remember that tax credit receipts are very valuable documents and it is important to keep them in a safe place. When you have used your supply, contact us and more tax credit receipts will be sent to you by registered mail or by courier.

When the financial statements are filed with us all tax credit receipts must be accounted for. Unused "C" receipts must be returned to us with the filing along with our copy of all issued tax credit receipts. We need both the contributor's copy and our copy of all void and spoiled receipts.

Campaign Inventory

Many associations have held in inventory such items as stakes, signs and office supplies for use in the election campaign. Any such inventory held by the association must be accounted for by the candidate's campaign as an expense subject to the limit if it is available for use during the campaign.

If inventory was discovered to be useless, then we will require proof of destruction of those items that were listed by the association as being on hand. Such proof would be a destruction certificate from a disposal company with details of the items that were disposed of. It could also be a signed affidavit from the person responsible for storing the inventory stating that it had deteriorated beyond usefulness.

It is also important to note that provincial campaigns cannot accept donations of campaign materials from federal political organizations. Signs etc., can be bought from a federal riding association but the cost must be the same price as would be paid to any other supplier of the same materials, that is, fair market value.

Advertising Blackout

The allowed period for commercial advertising started **Wednesday, May 12, 1999** and will end at **midnight, Tuesday, June 1, 1999**. The following are the only exceptions:

- (a) Advertisements in a weekly newspaper whose day of regular publication is a Wednesday. This newspaper must publish only once per week.
- (b) Advertisements which offer services such as baby-sitting for voters, rides to the polls, etc.

It will not be necessary to remove commercial billboards or advertisements on public transit facilities.

Campaign Bookkeeping

Remember that it is essential to keep a record of each contribution and each expense, no matter how small. We suggest that you discuss with your auditor the most practical method for you to use so that when it comes time to present the books for audit there will be a clear paper trail for all transactions. For expenses, we suggest you use the expense categories listed in the campaign financial statements.

Both the association and the candidate will be required to file campaign period financial statements with us on or before **December 3, 1999**. The candidate's CFO will file the **Candidate Campaign Period Financial Statements Form CR-1** and the association's CFO will file the **Association Campaign Period Financial Statement Form CR-3**. Blank forms will be mailed to CFOs and auditors in July.

Collect Station-to-Station Calls

Please note that if you are calling long distance we will accept station-to-station collect calls. Give the person who answers your call your name, the town or city you are calling from and your phone number.

Election Finances Newsletter

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End of Commercial Advertising

During a campaign period, political advertising may be carried on only by a registered political party, constituency association or candidate or by any person, corporation, or trade union acting with or without the knowledge and consent of the political party, constituency association or candidate.

The blackout period begins on the day the election is called and ends on the 22nd day before polling day and includes polling day and the day before polling day.

The allowable time period for political advertising begins twenty-two days before polling day and ends at midnight on the day which is two days before polling day. Polling day is June 3, 1999. Political advertising must stop at midnight June 1, 1999.

The prohibition for the publication of a political advertisement does not apply to:

- (a) genuine news reporting.
- (b) the publication of political advertising, on polling day or the day before polling day, in a newspaper that is published once a week or less often and whose regular day of publication falls on that day.
- (c) a political advertisement on the Internet or in a similar electronic medium, if posted before and not altered during a blackout period.
- (d) a political advertisement in the form of a poster or billboard, if posted before and not altered during a blackout period.

Political advertising is defined as advertising in any broadcast, print, electronic or other medium with the purpose of promoting or opposing any registered party or the election of a registered candidate.

However, the blackout does not apply to:

- (a) advertising of public meetings in constituencies including fund-raising events,
- (b) announcing candidate or constituency association headquarters' locations,
- (c) advertising for volunteer campaign workers,
- (d) announcing services for electors by candidates or constituency associations respecting enumeration and revision of lists of electors,
- (e) announcing services for electors on polling day, or
- (f) any other matter respecting administrative functions of constituency associations,

provided that such advertisements, announcements and other matters are done in accordance with the guidelines of the Chief Election Officer.

The Chief Election Officer has determined, therefore, that while it is permissible for such an advertisement or announcement to contain the name of the candidate and/or the political party, and to include a picture of the candidate and/or the logo of the political party, a reference to the particular exempt service or activity listed in subsection 37(5) of the Election Finances Act must constitute the dominant feature of such advertisement or announcement. Further, such advertisement or announcement must not contain any slogan, motto or other wording promoting the candidate or registered party, or opposing another candidate or registered party, such as "join the winning team", "work for continued good government", "our candidate is best qualified", etc.

AUTHORIZATION OF POLITICAL ADVERTISING

All political printed advertising, handbills, placards, posters and broadcast or telecast advertisements shall bear or make reference to the name of the registered constituency association, registered political party, person, corporation or trade union authorizing the political advertising.

Changes in Registration Information

All registered candidates have filed with us the **Candidate Registration And Change Notice Form C-1**. Should there be any change in the information on that form you must file a new C-1 form with us as quickly as possible. All information on the C-1 form filed with us must be kept up-to-date until the **Candidate Campaign Period Financial Statements Form CR-1** are filed with us on or before December 3, 1999.

Campaign Inventory and Prepaid Expenses

Many riding associations had campaign inventory such as sign materials on hand when the writs were issued. This inventory must be transferred to the campaign and must be accounted for as an expense subject to the limit. If the inventory had been on hand for more than one year, then it would be valued at replacement cost. If it had been purchased during the year prior to the campaign then it would be valued at invoice price.

Prepaid expenses relating to the campaign period must also be transferred to the campaign and must be accounted for as expenses subject to the limit. An example of such an expense would be campaign office rent prepaid by the riding association for the entire period of the lease. The portion of the rent and improvements to the premises applicable to the period from the writs to polling day would be calculated by prorating the total cost for the 29-day campaign period. For example, premises are rented for 90 days at a total rental of \$3,000 with leasehold improvements totalling \$1,500. To calculate the portion of the cost which will be reported as a campaign expense subject to the limit, you must multiply \$4,500 by 29/90 which equals \$1,450.

Tax Credit Receipts & Fund-Raising Activities

In the case of banquets, cocktail parties, entertainment events and similar fund-raising events or where a portion of any contribution is refunded by way of a gift or rebate, the amount shown on the tax credit receipt must be limited to the net value of the contribution. For example, if a contributor is offered a gift worth \$25 for each \$200 contribution, a tax credit receipt for only \$175 is to be issued. In the case of a fund-raising event, if the price of admission is \$300 and includes a dinner and dance which costs \$50 when expenses for food, gratuities and complimentary liquor are determined, a tax credit receipt for only \$250 is to be issued. This policy does not apply to the cost of admission to meetings, seminars, workshops and conferences if held in Ontario.

Laser Printable Receipts

We will soon have available laser printable receipts. Please contact us for information on how they work.

Newsletters

This is the last *Election Finances Newsletter* until after polling day. If you are missing any of the newsletters or would like to have a few extra copies, please contact us. *Election Finances Newsletters* are dated:

March 4, 1999 - Purple	April 1, 1999 - Hot Pink	May 1, 1999 - Gold
May 5, 1999 - Lime Green	May 14, 1999 - Cherry	May 19, 1999 - Tangerine

Help is Available

Assistance with all your questions is only a phone call away. Station-to-station collect calls are accepted.

Registered Political Parties

There are now 11 registered political parties in Ontario. These are listed below with the number of candidates registered for each along with independent candidates.

Communist Party of Canada (Ontario)	4
Ontario Provincial Confederations of Regions Party	2
Family Coalition Party of Ontario	23
Freedom Party of Ontario	14
The Green Party of Ontario	37
Ontario Liberal Party	103
Ontario Libertarian Party	18
Natural Law Party	74
New Democratic Party of Ontario	103
Progressive Conservative Party of Ontario	103
Reform Party of Ontario	1
Independent Candidates	47

Every candidate must register with us before polling day. To date, 53 candidates have not registered with us.

A Message From All of us

During the campaign we documented well over 1,000 telephone calls related to this general election. Add to that, we answered an estimated 2,000 calls of a general nature. We sent out 32,000 copies of our newsletters. Thank you to everyone who called. We hope that we gave you good service and information either in this series of newsletters or in personal contact. If you have comments, good or bad, please drop us a line. We appreciate the good comments and can learn and improve from the bad. We look forward to receiving your returns on time prior to December 3, 1999 and working with you to clarify any questions.

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